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Calendar No. 2645

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2602

AMENDING THE BANKRUPTCY ACT

JULY 17 (legislative day, JULY 16).—Ordered to be printed

Mr. EASTLAND, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. R. 256]

The Committee on the Judiciary, to which was referred the bill (H. R. 256) to amend the Bankruptcy Act with respect to the priority of debts owed by a bankrupt to workmen, servants, clerks, and certain salesmen, having considered the same, reports favorably thereon, without amendment, and recommends that the bill do pass.

PURPOSE

The purpose of the proposed legislation is designed to clarify the wage priority provisions in the bankruptcy laws. Clause (2) of subsection (a) of section 64 of the Bankruptcy Act (11 U. S. C., sec. 104 (a) (2)) provides priority treatment for wages, not to exceed $600, earned within 3 months prior to the bankruptcy proceedings, and due workmen, servants, clerks, or traveling or city salesmen.

STATEMENT

At present there is uncertainty as to whether this priority provision applies to those salesmen who are independent contractors rather than servants or employees. H. R. 256 is primarily designed to make clear that a person who is otherwise classified as a salesman is eligible for wage priority benefits even though he may be an independent contractor. Likewise, the addition of the words "and commissions" after the word "wages" at the start of clause (2) is to make clear that salesmen who are otherwise eligible for priority benefits are not disqualified because their income is in commission form.

These clarifications are consistent with recent court decisions. In *Thompson* v. *Kronheim* (178 Fed. 2d 477 (1949)), the Sixth Circuit

Court of Appeals held that a salesman was eligible for priority treatment even though on a commission basis and even though an independent contractor. Likewise, in the case of *In Re Herbert Candy Co.* (43 F. Supp. 588 (1942)), the District Court for the Eastern District of Pennsylvania held that a salesman was eligible for priority treatment even though on a commission, rather than a wage basis. The Herbert case is not clear on the independent contractor question, however.

On the other hand, language in some court cases has been confusing. In the cases of *In Re Clover Dairies, Inc.* (42 F. Supp. 1006 (1942)) and *In Re Kaminers* (252 F. 183 (1916)), there is language from which one might infer that a salesman must be an employee and not an independent contractor to qualify for wage priority benefits. Also in the case of *In Re Collin* (18 F. Supp. 848 (S. D. N. Y. 1937)) involving the claim of William Knauth, there is language from which one might infer that a salesman who was a "separate 'contractor' " could not qualify.

The Committee on the Judiciary believes it wise to resolve any doubts on these questions and therefore recommends favorable action on H. R. 256.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, certain changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

CLAUSE (2) OF SUBSECTION (A) OF SECTION 64 OF THE BANKRUPTCY ACT

* * * * * * *

(2) wages, *salaries, and commissions,* not to exceed $600 to each claimant, which have been earned within three months before the date of the commencement of the proceeding, due to workmen, servants, clerks, or traveling or city salesmen on salary or commission basis, whole or part time, whether or not selling exclusively for the bankrupt; *and for the purposes of this clause, the term "traveling or city salesman" shall include all such salesmen, whether or not they are independent contractors selling the products or services of the bankrupt on a commission basis, with or without a drawing account or formal contract;*

* * * * * * *

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Calendar No. 2648

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2605

AMENDING TITLE 28 OF THE UNITED STATES CODE TO INCLUDE THE COMMONWEALTH OF PUERTO RICO

JULY 17 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. EASTLAND, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H. R. 9038]

The Committee on the Judiciary, to which was referred the bill (H. R. 9038) to amend title 28 of the United States Code to provide that the Commonwealth of Puerto Rico shall be treated as a State for purposes of district court jurisdiction based on diversity of citizenship, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

This proposed legislation would amend title 28 of the United States Code to provide that the Commonwealth of Puerto Rico shall be treated as a State for purposes of district court jurisdiction based on diversity of citizenship.

STATEMENT

A full discussion of the aims and purposes of this legislation is contained in House Report No. 2481 on H. R. 9038, and is as follows:

H. R. 9038 fills an obvious gap in the law resulting from the change in status of Puerto Rico from a Territory to a Commonwealth. The gap exists in section 1332 of title 28 of the United States Code. This section confers jurisdiction on district courts in diversity of citizenship cases. Among others, it confers jurisdiction in cases between citizens of different States, the Territories, and the District of Columbia where the matter in controversy exceeds $3,000.

In 1952 Puerto Rico acquired a new constitution. This constitution refers to the "Commonwealth of Puerto Rico." Prior to 1952, there was no doubt that Puerto Rico was a Territory and accordingly was included in section 1332 of title 28. However, since the new constitution refers to the Commonwealth of Puerto Rico, there is

doubt of its inclusion. In the case of *Detres et al.* v. *Lions Building Corporation et al.* (No. 53 C. 1749, Nov. 21, 1955), the United States District Court for the Northern District of Illinois, eastern division, held that Puerto Rico was not included within the meaning of the term "Territories" in section 1332. While it is true that the Seventh Circuit Court of Appeals on June 13, 1956, reversed this decision and remanded the case to the district court, an element of doubt about the matter remains. The Seventh Circuit Court of Appeals held that even though the 1952 constitution refers to the "Commonwealth of Puerto Rico," at the same time it is within the meaning of the term "Territory" in section 1332. The court indicates that there was no intention on the part of Congress to affect the status of Puerto Rico as far as the application of section 1332 was concerned when the new constitution was authorized. To remove any doubts, the House Judiciary Committee favorably reports H. R. 9038 to expressly include the Commonwealth of Puerto Rico in the coverage of section 1332 of title 28 of the United States Code.

The committee, after consideration, concurs in the conclusion reached by the House of Representatives and, therefore, recommends the bill, H. R. 9038, to the favorable consideration of the Senate.

Attached hereto and made a part hereof are reports from the Administrative Office of the United States Courts and the Department of Justice, submitted in connection with the instant bill.

ADMINISTRATIVE OFFICE OF
THE UNITED STATES COURTS,
Washington, D. C., February 28, 1956.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN CELLER: The bill about which you inquired of me on February 13, 1956 (H. R. 9038), would amend section 1332 of title 28 of the United States Code concerning the jurisdiction of the United States district courts in cases in which there is diversity of citizenship so as to treat the Commonwealth of Puerto Rico as well as the Territories and the District of Columbia as a State in the application of that section. The Judicial Conference has not considered this matter and I am therefore not in a position to express an opinion on the matter of policy involved in the bill.

With kind regards, I am,

Sincerely yours,

HENRY P. CHANDLER.

APRIL 27, 1956.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice concerning the bill (H. R. 9038) to amend title 28 of the United States Code to provide that the Commonwealth of Puerto Rico shall be treated as a State for purposes of district court jurisdiction based on diversity of citizenship.

Section 1332 of title 28, United States Code, gives the district courts original jurisdiction of all civil actions exceedint $3,000 in amount between (1) citizens of different States; (2) citizens of a State, and foreign states or their citizens and subjects; and (3) citizens of different States and in which foreign states or citizens or subjects thereof are additional parties. Subsection (b) of section 1332 defines "States" as used in the section to include the Territories and the District of Columbia. The bill would amend subsection (b) expressly to include Puerto Rico within the meaning of the word "States" as used in section 1332.

Subsection (b), extending diversity jurisdiction to the District of Columbia and to the Territories, was added to section 1332 in 1940 (62 Stat. 930). The constitutionality of the amendment was challenged. The Supreme Court held, in the case of *National Mutual Insurance Co.* v. *Tidewater Transfer Co.* (337 U. S. 582), that Congress was within its authority under article I of the Constitution in extending the diversity jurisdiction to the District of Columbia. An interpretation of the reasons assigned by the Supreme Court for upholding the constitutionality of extending diversity jurisdiction to cases in which citizens of the District of Columbia are parties was later held to be equally applicable to cases between citizens of a State and a citizen of the Territory of Hawaii (*Siegmund* v. *General Commodities Corp.*, 175 F. 2d 952).

Puerto Rico does not fall squarely within the holding in the Siegmund case because, while it was a territory as constituted under the Organic Act of 1917 (see *Benedicto* v. *West India & Panama Tel. Co.*, 256 Fed. 417), it is now a commonwealth with its own constitution pursuant to the terms of the compact offered to the Puerto Rican people and accepted by them (48 U. S. C. 731b). In *Detres* v. *Lions Building Corporation* (136 F. Supp. 699), it was held that Puerto Rico is not a Territory as that term is used in 28 U. S. C. 1332 (b). In *Mora* v. *Mejias* (206 F. 2d 377, 387), the court was considering the application to Puerto Rico of section 2281 of title 28 of the United States Code, which requires a 3-judge court in cases involving an injunction to restrain enforcement of a State statute. The court did not rule upon the point but suggested "careful study and consideration" of the question.

Whether the bill should be enacted involves a question of policy concerning which this Department prefers to make no recommendation.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely,

WILLIAM P. ROGERS,
Deputy Attorney General.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 28, UNITED STATES CODE

§ 1332. Diversity of citizenship; amount in controversy.

* * * * * * *

(b) The word 'States', as used in this section, includes the Territories, [and] the District of Columbia, *and the Commonwealth of Puerto Rico.*

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Calendar No. 2651

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2608

PROVIDING FOR THE CONSTRUCTION BY THE SECRETARY OF THE INTERIOR OF THE SAN ANGELO FEDERAL RECLAMATION PROJECT, TEXAS

JULY 17 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. ANDERSON, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany S. 3728]

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 3728) to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes, having considered the same report favorably thereon without amendment and recommend that the bill do pass.

LOCATION AND PURPOSE OF THE PROJECT

The San Angelo project is a multiple-purpose water resource development in the Concho River Basin in central Texas. It is located in Tom Green County on the Concho River, a tributary of the Colorado River of Texas, about 200 miles northwest of Austin and San Antonio and about the same distance southwest of Fort Worth.

The purpose of the project is to provide additional storage capacity in the Concho River system for irrigation, municipal water supply, flood control, recreation, and fish and wildlife purposes.

DESCRIPTION OF THE PROJECT

Maximum utilization of the available water supply and productive land of the area is the predominant objective of the development.

The San Angelo area and the city itself have been confronted by flash floods of disastrous proportions and additional flood protection is required to protect urban as well as rural property, including agricultural lands. On the other hand long periods of rainfall deficiency, with occasional extreme drought, impair the agricultural economy of

the region and are a constant threat to municipal water supplies for domestic, municipal and industrial purposes.

Additional recreational opportunities and enhancement of the fish and wildlife potentials of the Concho Basin are vital to the needs of the San Angelo area within a radius of 100 miles of the city.

FEATURES OF THE DEVELOPMENT

The principal features of the development are as follows:

Twin Buttes Dam and Reservoir, with maximum capacity of 810,000 acre-feet to span both Middle and South Concho Rivers. The controlled storage would be about 600,000 acre-feet. Of the total capacity, 150,000 acre-feet would be allocated to conservation; 430,000 acre-feet to flood control, 214,000 acre-feet to surcharge capacity, and 16,000 acre-feet to other purposes.

Operations of the existing San Angelo and Nasworthy Dams and Reservoirs would be coordinated with the Twin Buttes facility. The only modification in the existing structures would be additional outlet works at Nasworthy Dam for irrigation releases.

The irrigation system would include a main canal, laterals and drainage works to serve 10,000 acres of highly productive land on the south side of the Concho River downstream from the city of San Angelo.

Integrated operation of the three dams and reservoirs will be essential to optimum use of the available water supply for irrigation and municipal supplies. The city of San Angelo has existing facilities to convey added water into the municipal system without construction of additional facilities as a part of the project.

Flood-control operations of the project would be in accordance with regulations of the Corps of Engineers.

Minimum recreation facilities estimated to cost $60,000 are included in the project plan.

FISH AND WILDLIFE ALLOCATION

Fish and wildlife potentials will be greatly augmented by the project. Additional investigations are recommended to determine the extent and character of the facilities required to realize the full benefits from this resource. Pending the results of these investigations, final determinations with respect to fish and wildlife facilities are deferred. However, the estimated cost of any additional facilities are included in the total estimated project cost of $30 million, authorization for which is recommended.

In keeping with precedents established by the Congress, the allocation of project costs attributable to fish and wildlife purposes are classified as nonreimbursable. The amount so allocated is $3,440,000.

FLOOD-CONTROL ALLOCATION

The district engineer of the Corps of Engineers, Department of the Army, finds the total annual flood-control benefits creditable to the proposed Twin Buttes Reservoir at $399,500 annually. Under the separable costs remaining benefits method of computing cost allocations, the flood-control allocation is $10,500,000 with consideration

for a fish-and-wildlife allocation. Without the latter, the flood-control allocation is $10,740,000.

On the basis of the report of the corps' district engineer and the present worth of the annual benefits for a 100-year period as the period of analysis, a flood-control allocation of from $10,500,000 to $10,740,000 is fully justified.

The Corps of Engineers estimates that the local interests should make a contribution of $350,000 toward the cost of the project construction costs. Appropriate arrangements should be made by the contracting organizations to make the payment to the Federal Treasury in cash or through the donation of the equivalent value in land right-of-way or other tangible method.

IRRIGATION DEVELOPMENT

The 10,000 acres of the irrigable area selected for service under the San Angelo project would produce, under irrigation, more than twice in value the crops that could be produced without the project. The principal crops to be produced under irrigation are cotton lint, cotton-seed, alfalfa and hay, little of which is now produced; grain sorghum, oats, pasture, forage sorghum. During a 50-year period it is estimated that the irrigation features of the project would create new net income in San Angelo and vicinity of more than $102 million, of which about $72 million would be new net nonfarm income within the city of San Angelo. Employment both in agriculture and in service operations in the city and vicinity would be substantially increased.

The annual rainfall in the area approximates an average of 18 inches. The project would divert an average of 1.9 acre-feet during the irrigation season and provide an average of 1 acre-foot additional for the production of crops. The estimated annual repayment capacity per acre of the lands to be irrigated is $15.85 per acre. The estimated annual operation and maintenance and replacement cost per acre is $2.50, leaving the average amortization capacity per acre at $13.35. The assumed annual construction cost per acre would be approximately $10.

BENEFIT-COST RATIOS FAVORABLE

The benefit-cost ratios of the San Angelo project are among the most favorable of any project that has been proposed to the Congress in recent years. This is true under the assumption that the periods of analysis are either 100 years or 50 years.

The benefit cost comparisons are as follows:

	100-year period	50-year period
Direct benefits	$1,263,000	$1,293,000
Annual economic costs	$950,000	$1,031,000
Benefit-cost ratio	1.36	1.25
Total benefits	$2,319,000	$2,328,000
Annual economic costs	$950,000	$1,031,000
Benefit-cost ratio	2.44	2.26

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COST ALLOCATIONS

A summary of the cost allocations which the Commissioner of Reclamation recommends under date of June 29, 1956, which were approved, and adopted by the Secretary of the Interior as his proposed report on the plan of development for the San Angelo project, are presented on two bases.

With an allocation to fish and wildlife the distribution of the costs would be as follows:

	Nonreimbursable	Reimbursable	Total
Municipal supply	0	$6,100,000	$6,100,000
Irrigation	0	9,900,000	9,900,000
Flood control	$10,500,000	0	10,500,000
Recreation	60,000	0	60,000
Fish and wildlife	3,440,000	0	3,440,000
Total	14,000,000	16,000,000	30,000,000

Without an allocation to fish and wildlife the distribution would be as follows:

	Nonreimbursable	Reimbursable	Total
Municipal supply	0	$7,600,000	$7,600,000
Irrigation	0	11,600,000	11,600,000
Flood control	$10,740,000	0	10,740,000
Recreation	60,000	0	60,000
Total	10,800,000	19,200,000	30,000,000

REPAYMENT PROPOSALS

The construction costs allocated to municipal water are to be repaid to the United States within a 40-year period with interest at a rate equal to the average paid by the Government on long-term loans.

The irrigation water users over a period of 40 years following an estimated 5-year development period for project lands would repay approximately $4 million of the irrigation allocation in that period. The rate would be approximately $10 an acre.

Under the repayment arrangements proposed the city of San Angelo would assume the payment of the remainder of the irrigation costs or from $6,500,000 to $7,500,000 over a period of 40 years without interest. The city has indicated its willingness to assume the obligation to repay the irrigation costs beyond the ability of the water users to repay.

In any event the bill requires repayment contracts covering all of the reimbursable costs in advance of construction of the project.

WATER SUPPLY ASSURANCE

A review of the water supply available to the San Angelo project indicates that the additional facilities through the Twin Buttes Reservoir will store and carry over sufficient water to equalize the

erratic streamflow of the Concho River. The Lower Colorado River Authority of Texas has obtained certain permits from the State's board of water engineers, that far exceed the present consumptive use of the authority's operations on the main stem of the river, and the annual residual discharge into the Gulf of Mexico is substantial. From available hydrological data, it is concluded that the water supply for the San Angelo project is sufficient except that a serious problem might be presented in the event of an extended critical dry period.

SPONSORS OF AND HEARINGS ON THE BILL

S. 3728 was sponsored by Senator Lyndon Johnson of Texas for himself and his colleague, Senator Price Daniel. A companion bill (H. R. 10803), sponsored by Representative O. C. Fisher, of Texas, is pending before the Interior and Insular Affairs Committee of the House.

Hearings were held on the bill by this committee on June 26, 1956, at which the sponsors and representatives of the city of San Angelo and agricultural interests gave their unanimous support to the measure. Spokesmen for the Bureau of Reclamation on behalf of the Department of the Interior testified in favor of the project.

COMMITTEE'S RECOMMENDATION

The committee recommends the passage of S. 3728. It finds that the benefit-cost ratio on either a 50-year or 100-year basis is above the average of reclamation projects authorized anywhere in the West.

The multiple-purpose objectives of flood control, irrigation, municipal water, recreation and fish and wildlife features are in complete keeping with the program provided for in the Reclamation Project Act of 1939.

The project plan, developed by the Bureau of Reclamation, has been reviewed by the district engineer of the Corps of Engineers, the National Park Service, the Fish and Wildlife Service, the Texas Fish and Game Commission, and local agencies.

The proposed report dated June 29, 1956, of the Acting Commissioner, Bureau of Reclamation, was approved and adopted by the Secretary of the Interior on July 5, 1956.

On the basis of the report, the committee recommends passage of the bill authorizing the San Angelo project.

REPORTS OF DEPARTMENT OF THE INTERIOR

The project report of the Bureau of Reclamation adopted and approved by the Secretary of the Interior and a subsequent report by the Department, cleared by the Bureau of the Budget, are as follows:

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., June 29, 1956.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the potential San Angelo project, a multiple-purpose water resource development in the Concho River Basin in Texas. The proposed report is based on and includes the accompanying report of the regional director, Amarillo, Tex., dated

March 9, 1956, and appended reports of the Corps of Engineers, National Park Service, and Fish and Wildlife Service.

The proposed plan of development is directed toward optimum utilization of the available water and land resources of the area near San Angelo, Tex. It contemplates the construction of project facilities to provide water supply for municipal purposes, irrigation, fish and wildlife, and recreation. The proposed project works, operated in conjunction with the existing facilities in the Concho River Basin, would complete the program necessary for flood protection in the vicinity of San Angelo. Construction of the project for those purposes is engineeringly feasible and economically justified in that the evaluated annual total benefits exceed the estimated annual costs in a ratio of more than 2 to 1. If direct benefits only are considered for a 50-year period of analysis the ratio would be about 1.25 to 1.

The primary problem plaguing the general San Angelo area results from the hazards and limitations which occur from long periods of rainfall deficiency and occasional extreme drought. The city of San Angelo, with its rapidly expanding population, requires additional water supplies for municipal use. The flood plain of the Concho River system, which includes a portion of the city of San Angelo, is in need of additional flood-control regulation to eliminate the hazard of flooding from the South Concho River. Development of the economic potential of the arable lands adjoining San Angelo through irrigation is needed in stabilizing the agricultural production in the local trade area. Development of additional recreation and fish and wildlife potentials is desirable to satisfy the needs of an area within a radius of about 100 miles from the city of San Angelo.

To solve this problem it is necessary that the available streamflows be converted from a constant menace to a reliable asset of the interdependent urban and rural economy through provision of needed regulatory and other works. Accordingly, the plan of development for the San Angelo project is designed to mitigate those hazards and limitations, and permit realization of the full economic potential of the area.

The Twin Buttes Dam and Reservoir will be the principal new project feature. The dam site which spans both the Middle and South Concho Rivers is just west of Lake Nasworthy and the San Angelo municipal airport. The reservoir will impound the flows of the Middle Concho, Spring Creek, and South Concho River. It will have a total maximum capacity of 810,000 acre-feet, of which 150,000 acre-feet are allocated to conservation, 430,000 acre-feet to flood control, 214,000 acre-feet to surcharge capacity, and 16,000 acre-feet to other purposes. The capacity at top of controlled storage would be about 600,000 acre-feet.

The existing San Angelo Dam and Reservoir and Nasworthy Dam and Reservoir are essential elements in the combined operation for the proposed project. No modification in their works is contemplated other than provision of an additional outlet structure near the extreme south end of Nasworthy Dam for release of water into the proposed irrigation system.

A complete irrigation system consisting of a main canal, laterals, and drainage works is proposed for distribution of irrigation water to 10,000 acres of land on the south side of the Concho River immediately downstream from San Angelo. Integrated operation of the

potential Twin Buttes and existing San Angelo Reservoirs would also be essential to optimum use of the flows of the North and South Concho Rivers and realization of the irrigation potential as contemplated under the plan of development.

The integrated operation would increase the firm annual water supply available to San Angelo for municipal use from the estimated firm yield of the existing Nasworthy and San Angelo Reservoirs of 15,000 acre-feet to 29,000 acre-feet, the estimated year 2010 municipal requirements. Under the plan of operation, municipal water demands would be met first, from any flows in excess of those which could be retained in the conservation capacity, second by release of conservation storage in San Angelo reservoir, and last, by release of conservation storage in the proposed Twin Buttes Reservoir. All the necessary facilities for conveying released water to the city waterworks system are already in existence. No additions or modifications will need to be constructed as part of the San Angelo project.

The plan of development contemplates that the San Angelo Reservoir will control floods originating upstream on Concho River and the potential Twin Buttes Reservoir would control floods originating above it on South Concho River. As suggested by the Corps of Engineers, 430,000 acre-feet of flood-control storage capacity will be provided in the Twin Buttes Reservoir. Operation of the two reservoirs would be coordinated to furnish the maximum practicable flood protection for downstream areas. Flood-control operation of both reservoirs would be in accordance with regulations established by the Corps of Engineers.

Greatly improved fish and wildlife opportunities of considerable regional importance will be provided through increase in reservoir areas for propagation of fish and wildlife and creation of more stable streamflows downstream from the San Angelo and Nasworthy Reservoirs. The fish and wildlife benefits creditable to the plan of development as evaluated by the Fish and Wildlife Service in cooperation with the Texas Game and Fish Commission would be about $239,000 annually on the basis of projected future prices. The preservation and propagation of the fish and wildlife resources in the area therefore, are considered as one of the project purposes. To assure project fish and wildlife benefits and to serve other project purposes, the level of Nasworthy Reservoir will not normally be drawn down below elevation 1870. Some land above the conservation pool level and below the maximum flood-control level of the proposed Twin Buttes Reservoir will be acquired in fee simple, in lieu of flood-control easement, in the interest of recreation and fish and wildlife development. The Director of the Fish and Wildlife Service recommends such lands be acquired generally up to elevation 1950, dependent on findings of further investigations provided for in this paragraph. Free and ready public access to the shores and water of Twin Buttes Reservoir will be provided for hunting, fishing, and other recreation under applicable State law and subject to regulations in the interest of safety. As recommended by the regional director and the Service, additional detailed studies of fish and wildlife resource affected by the project will be conducted, as necessary, after the project is authorized, in accordance with the act of August 14, 1946 (60 Stat. 1080). Such reasonable modifications in, and additions to, the authorized project facilities can be made as the Secretary may find appropriate.

The National Park Service recommends improvement of the recreation facilities at Nasworthy Reservoir and construction of minimum basic and additional accessory facilities at the proposed Twin Buttes Reservoir. Operation of those two reservoirs with the San Angelo Reservoir together with construction of the recommended facilities would increase greatly the recreational opportunities of the San Angelo area.

In accord with the recommendations of the National Park Service, the plan of development includes provision of minimum basic recreation facilities necessary for access, sanitation, and safety of the area at the proposed Twin Buttes Reservoir as an integral element in the construction of the project at an estimated Federal cost of $60,000 on a nonreimbursable basis, provided the ultimate administering agency agrees to assure construction of the additional accessory facilities. The plan contemplates accomplishment of those measures in cooperation with the project organization under an appropriate agreement whereby that organization would employ professional services to develop a comprehensive recreational plan affecting both the Twin Buttes and Nasworthy Reservoirs.

Construction and operation of the project should provide return flows to the downstream river system the estimated net effect of which would be a small gain in the low flows in the channel. Records show that zero flows have occurred in the past, often for long periods. Development of hydroelectric power by the proposed project was found to be uneconomical.

The total estimated construction cost of the potential San Angelo project as described above, based on October 1955 prices, is about $30 million. The cost includes $60,000 for construction of minimum basic recreation facilities, but is exclusive of $222,000 of the non-Federal construction costs for accessory recreational facilities recommended by the National Park Service. Operation, maintenance, and replacement costs are estimated to be about $49,000 annually, exclusive of $14,000 for administration, operation, and maintenance of recommended recreation facilities which would be a non-Federal cost.

Because the fish and wildlife benefits are realized incidental to project operation for its primary purposes, allocation of construction costs are presented both with and without an allocation to fish and wildlife. Using the separable costs-remaining benefits method, based on the present worth of the benefits for a 100-year period of analysis, the project costs are allocated tentatively in rounded figures, as follows:

With an allocation to fish and wildlife

	Nonreimbursable	Reimbursable	Total
Municipal supply	0	$6,100,000	$6,100,000
Irrigation	0	9,900,000	9,900,000
Flood control	$10,500,000	0	10,500,000
Recreation	60,000	0	60,000
Fish and wildlife	3,440,000	0	3,440,000
Total	14,000,000	16,000,000	30,000,000

Without an allocation to fish and wildlife

	Nonreimbursable	Reimbursable	Total
Municipal supply	0	$7,600,000	$7,600,000
Irrigation	0	11,600,000	11,600,000
Flood control	$10,740,000	0	10,740,000
Recreation	60,000	0	60,000
Total	10,800,000	19,200,000	30,000,000

Under existing policies the capital costs allocated to municipal water supply would be repaid to the United States within a 40-year period with interest at a rate equal to the average rate paid by the United States on long-term loans outstanding at the time of repayment contract negotiations. Following an estimated 5-year development period for project lands, irrigation water users would probably repay $4 million of the irrigation allocation in the aforesaid period, in addition to payment of the irrigation share of operation, maintenance, and replacement costs. The remainder of the costs allocated to irrigation in excess of the irrigators' ability to pay would be paid with municipal water revenues. To accomplish this within a 40-year period, exclusive of the irrigation development period, would require a very nominal increase in the rate for municipal water presented in the regional director's report. The costs allocated to flood control, fish and wildlife, and recreation (specific costs for minimum basic facilities) purposes would be nonreimbursable.

Success of the project depends upon the ability to store and carry over water to equalize erratic streamflow. The ability to do this depends to an extent upon the validity of certain downstream water permits. The Lower Colorado River Authority has obtained certain permits through the Board of Water Engineers of the State of Texas for waters of that system for development of all consumptive uses authorized by Texas law. Those permits at face value involve substantial quantities of water but the consumptive use thereunder made to date is small. Also, on the average the residual discharge of the Colorado River into the Gulf of Mexico is substantial. Nevertheless, the permits are prior in time to any which might now be secured for the San Angelo project and conceivably could present a serious problem during an extended critical dry period.

The city of San Angelo holds or controls permits for use of water on the Concho and its tributaries, part of which are prior in time to those of the Lower Colorado River Authority. Those prior permits do not cover sufficient water, however, to fill total conservation storage space of the project reservoirs. Exhaustive search and further investigations might lead to a conclusion that the risk of proceeding on the basis of permits junior in part to those of the authority would be of only a minor nature. However, the best procedure would be to obtain an agreement with the authority for subordination of whatever rights it might in the future claim or assert under its present permits to the extent needed to assure filling of the conservation storage space of the project reservoirs. Negotiations looking toward such an agreement will be undertaken during the period this report is under review by officials of the State of Texas and others.

I concur in and adopt the recommendations of the regional director as set forth on page 71 of his March 9, 1956, report, and further recommend that construction of the project not be started until the water-rights situation has been satisfactorily resolved.

Subject, of course, to consideration of comments received, I recommend that you approve and adopt this report as your proposed report on a plan of development for the San Angelo project, Texas, and that you authorize me in your behalf to transmit copies to the State of Texas, and to the Secretary of the Army, in accordance with the requirements of the Flood Control Act of 1944 (58 Stat. 877), to the State of Texas for the views and recommendations of the head of the agency exercising administration over the wildlife resources of that State pursuant to the provisions of the act of August 14, 1946 (60 Stat. 1080), and to the other interested Federal agencies for their comments as provided by interagency agreement.

Respectfully,

E. G. NIELSEN,
Acting Commissioner.

Approved and adopted July 5, 1956.

FRED A. SEATON,
Secretary of the Interior.

FURTHER REPORT FROM DEPARTMENT OF THE INTERIOR

A subsequent report from the Department with clearance from the Bureau of the Budget is as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., July 16, 1956.

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR SENATOR MURRAY: You have requested a report from this Department on S. 3728, a bill to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes.

A planning report on the San Angelo project, copies of which are attached for your information, has been prepared by the regional director of the Bureau of Reclamation at Amarillo and has been reviewed by this Department. Copies of this report have been sent to the State of Texas for review under the Flood Control Act of 1944 and the act of August 14, 1946, and to interested Federal agencies for review under existing law and interagency agreements. For the present, therefore, we are not in a position to make any recommendations with respect to enactment of S. 3728 or to suggest any amendments to it.

The proposed plan of development contemplates the construction of facilities to provide a water supply for municipal purposes and irrigation and, in addition, certain fish and wildlife and recreational facilities. The proposed project works, operated in conjunction with existing works in the Concho River Basin, would complete the program necessary for flood protection in the vicinity of San Angelo. The project has engineering feasibility. Its evaluated annual total benefits are estimated to exceed the annual costs in a ratio of more than

2 to 1. If direct benefits only are considered for a 50-year period of analysis the ratio would be about 1.25 to 1.

Twin Buttes Dam and Reservoir is the principal new project feature. The dame site is just west of Lake Nasworthy and the San Angelo municipal airport. The reservoir will impound the flows of the Middle Concho, Spring Creek, and South Concho Rivers. It will have a total maximum capacity of 810,000 acre-feet, of which 150,000 acre-feet are allocated to conservation, 430,000 acre-feet to flood control, 214,000 acre-feet to surcharge capacity, and 16,000 acre-feet to other purposes. The capacity at top of controlled storage would be about 600,000 acre-feet.

The existing San Angelo and Nasworthy Dams and Reservoirs are essential elements in the combined operation for the proposed project. No modification in their works is contemplated other than provision of an additional outlet structure near the extreme south end of Nasworthy Dam for release of water into the proposed irrigation system.

A complete irrigation system consisting of a main canal, laterals, and drainage works is proposed for distribution of irrigation water to 10,000 acres of land on the south side of the Concho River immediately downstream from San Angelo. Integrated operation of the potential Twin Buttes and existing San Angelo Reservoirs would also be essential to optimum use of the flows of the north and south Concho Rivers and realization of the irrigation potential as contemplated under the plan of development.

The integrated operation would increase the firm annual water supply available to San Angelo for municipal use from the estimated firm yield of the existing Nasworthy and San Angelo Reservoirs of 15,000 acre-feet to 29,000 acre-feet, the estimated municipal requirements in the year 2010. Under the plan of operation, municipal demands would be met, first, from any flows in excess of those which could be retained in the conservation capacity; second, by release of conservation storage in San Angelo Reservoir; and last, by release of conservation storage in Twin Buttes Reservoir. All the necessary facilities for conveying released water to the city waterworks system are already in existence. No additions or modifications will need to be constructed as part of the San Angelo project.

The plan of development contemplates that San Angelo Reservoir will control floods originating upstream on Concho River and Twin Buttes Reservoir floods originating above it on South Concho River.

Greatly improved fish and wildlife opportunities of considerable regional importance will be provided through increase in reservoir areas for propagation of fish and wildlife and creation of more stable streamflows downstream from the San Angelo and Nasworthy Reservoirs. The fish and wildlife benefits creditable to the plan of development as evaluated by the Fish and Wildlife Service in cooperation with the Texas Game and Fish Commission would be about $239,000 annually on the basis of projected future prices. Additional detailed studies of fish and wildlife resources affected by the project will be conducted, as necessary, in accordance with the act of August 14, 1946 (60 Stat. 1080).

The present plan of development also includes provision of minimum basic recreation facilities necessary for access, sanitation, and safety of the area at the proposed Twin Buttes Reservoir as an integral

element in the construction of the project. The estimated Federal cost of these facilities is $60,000. This portion of the plan is contingent on agreement by the ultimate administering agency to construct additional accessory facilities.

The total estimated construction cost of the San Angelo project, based on October 1955 prices, is about $30 million. The cost includes $60,000 for construction of minimum basic recreation facilities, but is exclusive of $222,000 of non-Federal construction costs for accessory recreational facilities. Annual operation, maintenance, and replacement costs are estimated to be about $49,000 annually, exclusive of $14,000 for administration, operation, and maintenance of recreation facilities.

Under the terms of the bill, allocations of cost would be made to irrigation, municipal water, flood control, recreation, and fish and wildlife. The amounts tentatively allocated to these functions are:

Municipal supply	$6, 100, 000
Irrigation	9, 900, 000
Flood control	10, 500, 000
Recreation	60, 000
Fish and wildlife	3, 440, 000
Total	30, 000, 000

Under existing policies the capital costs allocated to municipal water supply would be repaid to the United States within a 40-year period with interest at a rate equal to the average rate paid by the United States on long-term loans outstanding at the time of repayment contract negotiations. Following an estimated 5-year development period for project lands, irrigation water users would probably repay $4 million of the irrigation allocation in the aforesaid period, in addition to payment of the irrigation share of operation, maintenance, and replacement costs; the remainder of the costs allocated to irrigation in excess of the irrigators' ability to pay would be paid with municipal water revenues. S. 3728 provides that the costs allocated to flood control, fish and wildlife and recreational purposes shall be nonreimbursable. In the light of the land enhancement benefits which would result from flood protection of lands within the city of San Angelo under the plan of development, the Corps of Engineers has estimated that a contribution by the local interests in the amount of $350,000 should be made toward the estimated construction costs. Although the method of payment has not been established, this amount represents such a small part of the repayment requirement that there appears to be no question of the ability of the project organization to meet such an obligation.

The San Angelo interests, through a 7 to 1 vote of the electorate, have indicated their desire for construction of the proposed works as a Federal project and their willingness to assume repayment of reimbursable costs and to operate and maintain the works as contemplated under the plan of development presented in the attached report. The potential project irrigators have indicated their willingness to comply with the excess-land provisions of reclamation law.

The San Angelo Water Supply Corp. has been organized under the laws of Texas to obtain a water supply for the city of San Angelo. While it appears that the corporation has statutory authority to contract with the Government for a municipal water supply and

enter on repayment arrangements therefor, final determination of this, and other contractual matters will depend on the detail of the contract arrangements that may be worked out in the course of contract negotiations between the corporation and the Government and such contract arrangements as may be worked out in turn between the corporation and the city. It is contemplated that negotiations will be undertaken with the corporation in advance of construction. With respect to the costs allocated to irrigation, the usual type of repayment contract with the water users will be required as provided under reclamation law. A water control and improvement district is now in process of organization to serve as the repayment entity on behalf of the irrigation water users. The moderate to serious effects of inevitably recurring droughts on repayment of project costs are recognized and, for this reason, as well as for reasons of changing economic conditions, the repayment arrangements with the water users should provide for suitable variable installments.

The Bureau of the Budget has advised that there would be no objection to the submission of this report to your committee.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

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Calendar No. 2652

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2609

PROVIDING PROTECTION FOR OKEFENOKEE NATIONAL WILDLIFE REFUGE, GA.

JULY 17 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT

[To accompany H. R. 9742]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H. R. 9742) to provide for the protection of the Okefenokee National Wildlife Refuge, Ga., against damage from fire and drought, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of the bill is to protect Okefenokee National Wildlife Refuge in Georgia from the devastating effects of fire and drought. The refuge is unique, and since its acquisition by the United States efforts have been made to preserve the wildlife, plant life, and trees in their original state. Last year, fires destroyed trees that were hundreds of years old, destroyed a large part of the wildlife and generally laid waste a considerable portion of the refuge.

Future protection of the refuge depends on an adequate supply of water for the protection of plant and animal life and protection from fire since the land is swampy. Some of the peat deposits in the refuge are more than 15 feet in depth and when not moist are tinderboxes which, if ignited, may burn for months, devastating everything in the area as well as endangering private contiguous lands containing valuable timber resources.

The serious drought which threatens the existence of the wildlife which inhabit the refuge and the prevalence of fire which such drought may augment is further endangered by the fact that the ground water level in the Southeast United States is becoming lower each year.

The bill would provide for the construction of a continuous perimeter road around the refuge and approximately 162 miles of fire-access

roads to serve as firebreaks, and sills and dikes in the waterways to maintain water levels during dry periods.

On July 12 your committee held a hearing on this matter. At this hearing the officials of the Department of the Interior testified that the investment in relation to the cost of protection is very substantial. It was testified that the investment in the land alone represents about $473,000 based on land values of 1935 and 1936 when the land was acquired. However, it was pointed out that the value of the timber and the wildlife, which is their primary concern, is impossible to estimate since it would be irreplaceable.

At the committee hearing the chief forester of the American Forestry Association said—

> Please consider for a moment the blow to the forest economy caused by recent fires on timberlands adjourning Okefenokee Refuge. These lands are capable of producing at least one-half cord of wood on each acre each year, and the average merchantable stand contains 10 or more cords of merchantable timber per acre. The wood is worth from $2 to $5 per cord on the stump and for every dollar's worth of timber burned, $7 are lost in payrolls, income and taxes from the sale of products that could have been manufactured. Consequently, each 10,000-acre fire strikes a million dollar blow to our economy.

From October 1954 to June of 1955 approximately 284,000 acres of wildlife refuge were burned over and at least 150,000 acres of State and privately owned forest lands of commercial importance were burned over as a result of the Okefenokee droughts, the Department of the Interior testified.

Therefore, the loss to the commercial and State-owned lands alone would exceed $15 million in the 8-month period from October 1954 to June of 1955.

The Interior Department recommends enactment of the legislation and assured your committee that such congressional action would not interfere with any plans of the Defense Department.

The report of the Department of the Interior follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., July 17, 1956.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce,
United States Senate, Washington, D. C.

MY DEAR SENATOR MAGNUSON: Your committee has requested a report on H. R. 9742, a bill to provide for the protection of the Okefenokee National Wildlife Refuge, Ga., against damage from fire and drought. This bill would require the Secretary of the Interior to carry out certain developments relating to the wildlife refuge for the purpose of avoiding disastrous fire losses that have occurred in the past in that area. The bill provides for construction of a road around the wildlife refuge, together with fire access roads. It provides also for the construction of a sill and dike in the Suwanee River and for additional sills at other appropriate points in the wildlife refuge.

We recommend that H. R. 9742 be enacted.

The bill was passed by the House of Representatives on June 18, 1956. We are pleased to furnish you with a copy of our favorable report of May 25 on the bill to the chairman, Committee on Merchant Marine and Fisheries, House of Representatives, stating our position. Our report is, of course, quoted in House of Representatives Report No. 2270.

Please advise if we may be of any further assistance in this connection.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., May 25, 1956.

Hon. HERBERT C. BONNER,
Chairman, Committee on Merchant Marine and Fisheries,
House of Representatives, Washington, D. C.

MY DEAR MR. BONNER: Your committee has requested a report on H. R. 9742, a bill to provide for the protection of the Okefenokee National Wildlife Refuge, Ga., against damage from fire and drought. This bill would require the Secretary of the Interior to carry out certain developments relating to the wildlife refuge for the purpose of avoiding the disastrous fire losses that have occurred in the past in that area. The bill provides for construction of a road around the wildlife refuge, together with fire access roads. It provides also for the construction of a sill and dike in the Suwanee River and for additional sills at other appropriate points in the wildlife refuge.

We recommend that H. R. 9742 be enacted.

Severe droughts occurred in 1910, 1932, and again in 1954, in the Okefenokee region. As a result of such droughts, extensive areas of the swamp and surrounding country were burned over. The recent drought affecting the South generally, and southeastern Georgia particularly, created an extremely serious fire condition in the Okefenokee area. Consequently, during the period from October 1954, to June 1955, approximately 284,000 acres of the wildlife refuge were burned over and at least 150,000 acres of State and privately owned forest land of commercial importance were burned over during the same period.

Fire losses in this region are severe and difficult to control because of the fact that the peat beds in Okefenokee range in depth up to 15 feet. Once wildfires get into the peat, they can be extinguished only by rainfall or flooding of the area. Unfortunately, it will take hundreds of years to replace some of the giant cypress and gum trees that have been destroyed by fire in the region. To remedy this situation, the retention of water levels within the swamp, especially during drought periods, is essential. Construction of a low-level dam or sill in the Suwanee River and the placement of sills at other points to help guard against drainage and destruction of extensive portions of the swamp in future drought periods will be of very material assistance in accomplishing this purpose. As the prairies, waterways, and the lakes of the refuge finally become dry during drought periods, the abundant wildlife that the waters of the swamp accommodate either leave the area or perish. The drought and resultant

fires have led to the substantial losses of forestland, the destruction of wildlife, and poor fishing in the area. The fires have resulted in a desolate appearance of much of the refuge. Remedial action is very desirable.

Okefenokee Swamp is a very interesting area. The Okefenokee National Wildlife Refuge occupies about nine-tenths of this area. The refuge contains some 329,000 acres. It extends about 38 miles from north to south and about 25 miles across at its widest point. Extensive cypress logging was conducted in the swamp before the area was established as a wildlife refuge. The remaining virgin stands of cypress and gum and other pristine features of the swamp have been a matter of national interest for a long period and many people from other countries have made special trips just to see this unique area. In these circumstances, we consider the protection of the natural features of the refuge to be very desirable.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee. However, no commitment can be made prior to appropriation.

Sincerely yours,

WESLEY A. D'EWART,
Assistant Secretary of the Interior.

There are no changes in existing law.

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Calendar No. 2653

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2610

INCREASE IN ANNUITIES

JULY 17 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany S. 3725]

The Committee on Post Office and Civil Service, to whom was reported the bill (S. 3725) to provide for increases in the annuities of annuitants under the Civil Service Retirement Act of May 29, 1930, as amended, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

AMENDMENT

The committee amendment strikes out all of the bill after the enacting clause and substitutes therefor a new bill which appears in the reported bill in italic type.

PURPOSE OF AMENDMENT

The purpose of the amendment is as follows:

Section 1 would provide an additional increase equal to three-fourths of the increase granted to annuitants on the retirement roll by Public Law 369 enacted last year. Public Law 369 gave annuitants on the retirement roll increases ranging from 1 percent to a maximum 12 percent, on a sliding-scale percentage basis. If an annuitant received an increase under Public Law 369 amounting to $10 per month, he would receive under S. 3725 an additional increase of three-fourths of such amount, or $7.50, with his total increase under both bills amounting to $17.50.

Section 2 relates to financing of the increases. It provides that the increases be taken out of the retirement fund through June 30 of next year but not to continue thereafter unless an appropriation is made. However, the increases granted last year would continue on a permanent basis.

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Section 3 strikes out the $4,014 ceiling put in by Public Law 369. The Civil Service Commission agrees that this provision should be deleted.

Section 4 provides for an extension of benefits to widows of employees who retired prior to 1948.

STATEMENT

In recent years, the increasing cost of living has placed retired civil-service employees and their survivors at a great disadvantage because the dollars they paid into the retirement system have continued to decrease in value. Because of this decrease in purchasing power, adjustments are needed from time to time to alleviate the annuitants' difficulties, and S. 3725 and a similar bill, S. 3731, were introduced for this purpose.

The primary purpose of S. 3725 is to increase the retired pay of former employees or their survivors under the Civil Service Retirement Act. An annuitant under this bill would be entitled to receive three-fourths of the increase granted to persons under Public Law 369, enacted last year, and this increase would be permanent provided that specific appropriations to cover the cost are made to the retirement fund. In any case, however, increases granted under Public Law 369 would continue on a permanent basis.

COST

S. 3725 would incur a total first-year cost of $42.8 million, curtailing gradually as those persons on the retirement roll leave the roll by reason of death, with a total projected cost of $397 million.

A breakdown of the total cost is as follows:

Section 1 would have a first-year cost of $33 million and a projected total of $330 million.

Section 3 would incur a first-year cost of $1.3 million and a total projected cost of $14 million.

Section 4 would have a first-year cost of $8.5 million and a total projected cost of $53 million.

AGENCY VIEWS

Following are views of Civil Service Commission and Bureau of the Budget in regard to S. 3725:

CIVIL SERVICE COMMISSION,
Washington, D. C., June 15, 1956.

Hon. OLIN D. JOHNSTON,
Chairman, Committee on Post Office and Civil Service,
United States Senate.

DEAR SENATOR JOHNSTON: I am referring further to your letter of April 27, 1956, relative to S. 3725, a bill to provide for increases in the annuities of annuitants under the Civil Service Retirement Act of May 29, 1930, as amended.

Section 1 of the bill proposes benefit increases for all retired employees and survivors receiving or entitled to receive annuity on date of its enactment. Increases would be scaled in amount as follows:

Retired employees: Each annuity would be increased by $100, plus $10 for each 2 months elapsed between the commencing date of

annuity and the enactment date of the bill, but not to exceed $300 in any case.

Survivors, other than children: Each annuity would be increased $80.

Child survivors: Each annuity would be increased $50.

Section 2 specifies the conditions for payment of these increases, and the commencing and ending dates thereof. The increases would not become operative until funds for the specific purpose of paying them had been appropriated by act of Congress. Then, to the extent of such appropriated funds, the increases would be payable from and after the first day of the first month in which the appropriation became available.

Section 3 of the bill relates to a provision incorporated in the Retirement Act by the act of August 11, 1955 (Public Law 369, 84th Cong.), under which all employee and survivor annuities were increased (beginning October 1, 1955, or upon commencing date of annuity, whichever might be later) in accordance with the following schedule:

If annuity commences between—	Annuity not in excess of $1,500 shall be increased by—	Annuity in excess of $1,500 shall be increased by—
	Percent	*Percent*
Aug. 20, 1920, and June 30, 1955	12	8
July 1, 1955, and Dec. 31, 1955	10	7
Jan. 1, 1956, and June 30, 1956	8	6
July 1, 1956, and Dec. 31, 1956	6	4
Jan. 1, 1957, and June 30, 1957	4	2
July 1, 1957, and Dec. 31, 1957	2	1

The act of August 11, 1955, contained a provision stipulating that no annuity increase under its terms could exceed the sum necessary to increase an individual's regular annuity to $4,104 per year. The bill proposes to repeal this ceiling on the 1955 law increases, effective upon its enactment. Individuals who had been or otherwise would be affected by the ceiling would thus be entitled to the full percentages of increase specified, payable from date of enactment of the bill or from commencing date of annuity, whichever would be the later.

The Commission does not favor the across-the-board annuity increase proposed by this bill. In our opinion there are no relevant factors now in existence to warrant an additional increase in the annuities of persons already on the annuity roll.

The factors we regard as relevant and controlling in determining need for adjustment in existing awards of annuity have been clearly spelled out by the Committee on Retirement Policy for Federal Personnel. This Committee, created by the act of July 16, 1952, for such purpose, made a comprehensive study of all aspects of the subject of retirement benefits for Federal employees, between the time of its formal organization in 1952 and the date of its termination on June 30, 1954. In its fifth and final report to the Congress, dated June 29, 1954, the Committee made the following recommendation on annuity adjustments:

"The problem of adjusting the annuity benefits of retired employees and of the survivors of former employees is one which must be resolved from time to time as circumstances require, e. g., a substantial increase

in the cost of living. The committee believes that it is incumbent on the Congress when adjusting the current pay of Government employees, or when liberalizing the benefit formula for future annuitants, to reexamine the benefits paid to annuitants already on the rolls with a view to adjusting their annuities as warranted. * * *"

A review of the adjustments afforded for existing annuity awards in recent years clearly shows that Congress has recognized the progressive rise in Federal salaries. Five such adjustments have been made in the past 8 years as follows:

1. The act of February 28, 1948, liberalized the annuity formula for future retirees and inaugurated a system of automatic family survivor annuity protection. This liberalization was based in large part on material increases in the cost of living which had theretofore occurred. To compensate, this act afforded those already retired an election between (1) an increase in annuity of the lesser of 25 percent or $300 beginning April 1, 1948, or (2) retention of existing annuity and the right to name his or her spouse for a lifetime survivor's annuity of half such existing annuity, up to $600.

2. By enactment of July 6, 1950, a further benefit adjustment was extended to those retired before April 1, 1948. They were given, from and after September 1, 1950, the increase or the spouse's survivor benefit not chosen in 1948.

3. The act of July 16, 1952, effective September 1, 1952, gave each retiree then on the roll an increase amounting to $36 for each full 6-month period elapsed between his retirement date and October 1, 1952, with a maximum increase of (1) $324 or (2) 25 percent of existing annuity, and with a further provision that no annuity could be raised beyond $2,160 by the increase. This act was termed a cost-of-living measure, designed to offset temporarily the decreased purchasing power of annuitants. Increases under it were accordingly set for termination on June 30, 1955, at the very latest, with provisions for earlier termination if living costs dropped below a given level or in the absence of certain appropriation actions by Congress to finance their payment.

4. By the act of August 31, 1954, the 1952 law temporary annuity increases were made permanent. Also, the $2,160 ceiling on such increases was declared applicable only to the regular annuity, thus making the ceiling inoperative as to any portion of the annuity purchased by voluntary contributions.

5. The next and most recent adjustment came by the act of August 11, 1955, the increase provisions of which are still in operation, as described previously herein. Increases under this act, ranging as high as 12 percent for many retirees and survivors, were specifically intended to confer benefit adjustments commensurate with the general salary increase accorded Federal employees in 1955.

This review hardly depicts a situation warranting a further increase in existing annuities. On the contrary, the picture is one of legitimate adjustment needs fully satisfied. All present annuities and all those which will commence before January 1, 1958, either have been or will be subjected to an increase under existing law in line with the latest general increase in Federal salaries. Since there has been on substantial rise in cost of living in recent months, it is evident that the factors of pay adjustment and cost of living suggest no need whatever for a further round of increases in existing annuities.

This leaves for consideration the question of whether liberalizing the Retirement Act benefit formula for the future as proposed in S. 2875 would warrant an increase to current annuitants. The deliberations of the Senate on May 23, 1956, prior to its passing S. 2875, clearly indicated that this bill's more liberal benefit formula if enacted into law would be relied upon as the basis for a further increase to annuitants already on the roll. Indeed, it was stated in the Senate debate that the only reason increases for present annuitants were not included in S. 2875 was because it was felt that in the interest of all concerned—both active employees and present annuitants—it would be better to keep the two types of bills separate, and try to enact S. 2875 first.

After careful consideration of the justification offered for S. 2875, and of the basis on which it liberalizes existing law, however, we are unable to see how its enactment would necessitate increasing the annuities of those already on the roll. The liberalized annuity computation formula of S. 2875 has not been advanced on any theory of a rise in the cost of living. On the contrary the primary justification cited for enactment of S. 2875 is that it would correct the failure of the Government to keep pace with industry in retirement matters. Its enactment, it is claimed, would remove deficiencies in the present law which have been held responsible for an abnormally high separation rate of career employees, and for difficulties encountered in attracting certain professional and skilled personnel to the Federal service. These objectives would be promoted by liberalized benefits for future annuitants, but would not be furthered in any way by increasing the benefits of retirees and survivors already on the roll. Moreover, the greater benefits S. 2875 offers for future annuitants are to be paid for in part by greater employee contributions. To offer an equivalent benefit adjustment to annuitants already on the roll with the Government bearing its entire cost would verge on discrimination against active employees.

On this basis, the Commission sees no justification for burdening the taxpayer with the added costs which would be involved in the general annuity increases here proposed. The fact that the bill calls for financing the proposed increase out of specific appropriations for such purpose is laudable and in line with a recommendation of the Committee on Retirement Policy for Federal Personnel, but there appears no justification for a general annuity increase at this time.

We estimate that an appropriation of about $66 million would be required to meet the first-year cost of the annuity increases proposed by section 1 of the bill. If appropriations were made for all subsequent years in which the increases would be payable, the total cost of section 1 (the present value of all appropriations) is estimated at approximately $625 million. There would be no increase in the unfunded liabilities of the retirement fund, since payment of the increases is contingent upon appropriations for that specific purpose.

Aside from the foregoing, the manner in which the bill would apply increases would not be of the best. It would have several results which would either be objectionable or anomalous. Following are some examples.

1. Ours is a staff retirement system designed to provide annuity benefits in amounts related directly to length of Federal service and to salary earned. This relationship exists even in survivor benefits

which generally are calculated as a percentage of the annuity earned by the deceased employee or annuitant on the basis of service and salary. The importance of this factor in annuity adjustments was recognized by the Committee on Retirement Policy in a recommendation which reads: "In making the annuity adjustments, consideration should be given to the fact that the staff retirement systems are designed primarily to provide benefits for career employees. When adjustments in annuities are made, the original relationship of the basic annuity to the salary and service of the annuitant should be maintained." Increasing annuities on a flat dollar basis as this bill proposes would tend to distort and in some cases destroy the original relationship of the annuity to its service and salary base.

2. Increasing only the annuities of those receiving or entitled to receive benefits on date of the bill's enactment would result in inequitable distinctions between persons coming on the annuity roll shortly before and shortly after the enactment date. A situation would exist whereby 2 annuitants with the same amount of service and the same average salary would not receive equal annuities, merely because retired a month or 2 apart. This situation would be aggravated by the fact that in some cases the individual retiring too late to qualify for an increase could actually already be on the annuity roll by the time appropriated funds became available to permit payment of increases.

3. The flat dollar increases specified in the bill would not be the amounts actually payable to annuitants under the Retirement Act as the bill would amend it. The bill would not change the provision in the law which requires that the final monthly rate of annuity be adjusted to the nearest even dollar. Because of this feature, the $100 increase specified would actually be $96 after the required adjustment. The $80 increase would become $84, and the $50 increase would become $48. Where the $10 for each 2 months since retirement date would be payable in addition to the flat $100 increase, there would be just 4 instances where the intended amount of increase would be payable in fact. If the total increase came to $120, $180, $240, or $300, the actual and bill amounts would be the same. In all other cases, however, the increase actually payable would range anywhere from $4 less to $6 more than the amount specified in the bill.

The Commission concurs in principle with the second proposal embodied in this bill, whereby the $4,104 ceiling on 1955 law increases would be abolished. We drafted the original legislative proposal which in most substantial respects later became the annuity increase provisions of the act of August 11, 1955. Our draft provided simply for percentage increases in annuity commensurate with the 1955 general pay raises for classified and postal employees and contained no maximum provision. On consideration, the Congress raised the percentages above those we had proposed and inserted the ceiling provision. Extending the increases to annuitants affected by the maximum would be wholly consistent with the views of the Commission in the first instance and we would recommend favorable consideration of a separate bill, embodying this item only, to effect such purpose. We estimate that section 3 of the bill would incur a first-year cost of about $1.3 million, and an increase in the unfunded liabilities of the retirement fund of about $14 million.

On S. 3725, however, the Commission recommends that adverse action be taken.

The Bureau of the Budget advises there would be no objection to the submission of this report to your committee.

By direction of the Commission.

Sincerely yours,

PHILIP YOUNG, *Chairman.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., June 15, 1956.

Hon. OLIN D. JOHNSTON,
Chairman, Committee on Post Office and Civil Service,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to your letters of April 27, 1956, requesting the views of the Bureau of the Budget with respect to S. 3725 and S. 3731, similar bills providing increases in the annuities of retired employees under the Civil Service Retirement Act.

The primary purpose of each bill is to increase retired pay of former employees or their survivors under the Civil Service Retirement Act. Each bill would increase retiree pay by $100, plus $10 for each 2 months elapsed between the commencing date of the annuity and the effective date of the bill, not to exceed $300 in any case; and each would provide survivor annuity increases of $80 for adult and $50 for child survivors. The increases proposed in S. 3725 would be permanent, provided specific appropriation to cover cost is made to the retirement fund; those proposed in S. 3731 are temporary, to terminate June 30, 1959, or at an earlier date under specified conditions.

On August 11, 1955, by Public 369, 84th Congress, retirees and their survivors were provided increases in annuities up to 12 percent, increases in active-duty pay of approximately 7½ percent having been provided most Federal employees compensated under statutory pay systems earlier that year. This 1955 action was consistent with the recommendation made by the Committee on Retirement Policy for Federal Personnel that adjustments in retired pay should be considered from time to time as circumstances require, with particular reference to changes in cost of living and adjustments in active-duty pay of Federal employees. It is believed that increase was sufficient to maintain annuity levels in a reasonable relationship to salaries and wages, and that a further increase in retired pay is not warranted at this time.

Accordingly, the Bureau of the Budget recommends that the committee not give favorable consideration to either of the proposals.

Sincerely yours,

(Signed) PERCY RAPPAPORT,
Assistant Director.

CHANGES IN EXISTING LAW

Compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate has been omitted inasmuch as it is necessary, in the opinion of the committee, to dispense with the requirements of such subsection to expedite the business of the Senate.

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Calendar No. 2654

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2611

PARTICIPATION IN THE UNITED STATES WORLD TRADE FAIR IN NEW YORK CITY AND IN THE OKLAHOMA SEMICENTENNIAL CELEBRATION IN THE STATE OF OKLAHOMA

JULY 17 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. GEORGE, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. J. Res. 194]

The Committee on Foreign Relations, having had under consideration the joint resolution (S. J. Res. 194) authorizing the President to invite the States of the Union and foreign countries to participate in the United States World Trade Fair to be held in New York City, N. Y., from April 14 to April 27, 1957, and in the Oklahoma Semi-Centennial Celebration to be held in various communities in the State of Oklahoma from January 1 to December 31, 1957, reports Senate Joint Resolution 194 to the Senate without amendment and recommends that it do pass.

PURPOSE OF THE RESOLUTION

The resolution authorizes the President to invite the States of the Union and foreign countries to participate in the United States World Trade Fair, to be held at the Coliseum, New York City, N. Y., from April 14 to April 27, 1957, inclusive, and in the Oklahoma Semi-Centennial Celebration to be held in various communities in the State of Oklahoma from January 1 to December 31, 1957, inclusive, especially during America's New Frontiers Exposition in Oklahoma City, June 14 through July 7, 1957, inclusive, for the purpose of exhibiting various products, articles, commodities, equipment and materials; for the promotion of travel, tourism, transportation and similar services; and for the purpose of bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce in such products and services.

COMMITTEE ACTION

Senate Joint Resolution 194 was introduced by Senator Monroney (for himself and Senator Kerr) and was referred to the Committee on Foreign Relations. The committee considered the resolution in executive session on July 17 and unanimously ordered it reported favorably. The committee was aware of an identical measure, House Joint Resolution 604, which was passed by the House of Representatives on July 16 but which had not reached the committee.

CONCLUSIONS

Approval of this resolution should contribute to the success of these fairs by encouraging the participation of foreign countries. The fairs should assist in the promotion of beneficial international trade. Congress has approved similar resolutions with respect to other trade fairs held in the United States. No cost to the United States is entailed. The Committee on Foreign Relations urges the approval of the resolution.

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Calendar No. 2656

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2612

PARTICIPATION IN THE AMERICAN INTERNATIONAL INSTITUTE FOR THE PROTECTION OF CHILDHOOD

JULY 17 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. GEORGE, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. J. Res. 195]

The Committee on Foreign Relations, having had under consideration Senate Joint Resolution 195, to amend the joint resolution providing for membership and participation by the United States in the American International Institute for the Protection of Childhood and authorizing an appropriation therefor, report the joint resolution favorably to the Senate and recommends that it do pass.

MAIN PURPOSE

The purpose of the joint resolution is to enable the United States Government to raise its contribution to the American International Institute for Protection of Childhood from $10,000 annually to $25,000 annually.

BACKGROUND

The statutes for the Institute were agreed to in 1924 and United States membership was authorized by act of Congress in 1928. The annual dues of $2,000 were raised in 1946 for the United States to $10,000, which raise was approved in 1950. A further raise to $25,000 is now sought in anticipation of action by the next Pan American Child Congress to increase the United States contribution. From 1946 to 1955 the annual United States contribution was 35.71 percent of the total. In 1956 it was 28.69 percent of the total because the assessment on 18 of the 21 members was increased to meet an increased budget, while that of the three remaining members, including the United States, stayed the same. For 1957 the State Department expects that their assessment likewise will be increased. The proposed increase will make the United States contribution of 40 percent of the total and may amount to $25,000. The increase in the budget

of the Institute and the membership assessments are occasioned by an expansion of the Institute's responsibilities and activities.

Further background on the legislation, as well as a description of the work of the Institute and its enlarging responsibilities are contained in a memorandum from the Department of State, which is as follows:

STATEMENT IN SUPPORT OF REQUEST TO INCREASE THE STATUTORY CEILING ON THE UNITED STATES CONTRIBUTION TO THE AMERICAN INTERNATIONAL INSTITUTE FOR THE PROTECTION OF CHILDHOOD (AN INTER-AMERICAN SPECIALIZED ORGANIZATION)

Public Resolution 31 of the 70th Congress authorized United States participation in the Institute and placed a ceiling of $2,000 on the annual United States contribution to the Institute. Until 1946 all member countries contributed $2,000 annually.

In 1946 the Institute revised its scale of contributions to provide for assessments ranging from $200 to $10,000, based on population and economic situation, as recommended by the Eighth Pan American Child Congress. The United States assessment was increased to $10,000 per annum. The revised scale made possible a more equitable apportionment of expenditures, and made it easier for smaller states to join the Institute.

In 1950 the 81st Congress inquired into the Institute's program and development, and determined that an increase in the ceiling was justified and in the United States interest. Public Law 806 of the 81st Congress authorized an increase in the ceiling for United States contributions to $10,000 annually, as well as the payment of $24,000 in arrears for 3 years in which the United States had been assessed $10,000, but had only contributed $2,000 because of the then-existing ceiling.

Total assessments against member countries for the regular budgets of the Institute for each of the years 1946–55 amounted to $28,000 annually. The annual United States assessment during that period was $10,000, or 35.71 percent of the total. At its regular annual meeting in August 1955 the Directing Council of the Institute approved a budget for the Institute for calendar year 1956 resulting in assessments of $34,850. The United States assessment was maintained at $10,000 (28.69 percent of the total), but the assessments of 18 of the 21 member countries of the Institute were increased.

The Directing Council also recommended, ad referendum of the member governments, that the Institute work toward a budget which would result in total annual assessments of $40,896. The increase would be met from higher contributions from the United States and the two other countries not already affected. The Council further approved a new unit scale of contributions in place of the previous fixed dollar amounts, based on population and economic situation,

under which the United States will be assessed 400 units out of a total of 1,000, or 40 percent. Several delegates at the Council meeting were strongly in favor of putting the new scale into effect immediately and adopting a budget which would result in total assessments of $62,500, of which the United States assessment, at 40 percent would be $25,000. There is a strong likelihood, therefore, that action will be taken by the other member governments and the Directing Council during 1956 which will result in a United States assessment that will exceed the present statutory limitation.

The United States delegates to meetings of the Institute have continually made clear that there is a legislative ceiling on the United States contribution, and that it is for the Congress to determine whether or not the ceiling will be revised. Nevertheless, the substantial desire on the part of other member countries to increase the activities of the Institute in the field of child welfare in the Americas indicates that it would be prejudicial to United States interests in the organization if the United States does not now take the necessary steps for reconsideration of the existing statutory limitation.

The American International Institute for the Protection of Childhood serves as a center for study, information and documentation, technical consultation and advisory service on all questions concerning childlife and welfare in the Americas. Although a small organization with a modest budget, the Institute is unique among international agencies because of the interdisciplinary character of its activities and the degree to which it has assisted in coordination of effort in the development and administration of services for children.

This interdisciplinary approach is reflected in the way in which the Institute works not only with other organizations in the inter-American system, but with such international bodies as the United Nations, ILO, and UNICEF. Each year for the last several years, the United Nations has made fellowships available to enable specialists from the American countries to attend a workshop in the administration of children's services conducted by the Institute in Montevideo and is now exploring the possibility of participating in a joint project of the Institute and the Inter-American Statistical Institute to improve the reporting of statistics in various fields of childlife—social, educational, etc.—and to find ways of removing obstacles to full and accurate reporting of birth and mortality statistics.

The International Labor Organization and the United States Department of Labor have from time to time used the Institute as a source of information on matters within their respective fields of competence. In turn, the Institute has looked to the United States for guidelines in developing standards for the employment of young people in Latin America. The Institute has also supplied the United Nations with material on children's codes in the American Republics which has been used in compilations of child-welfare legislation throughout the world. The Institute

cooperates with UNICEF, but the two programs do not overlap or conflict with each other, since UNICEF is primarily concerned with making supplies available to carry out child health and welfare programs.

The Institute has also furnished direct technical assistance. For example, a team of experts sent to Puerto Rico made specific recommendations which resulted in the coordination of certain services and the organization of local seminars for the study of child-welfare problems in Puerto Rico. Since the United States Government does not maintain direct technical aid programs in child welfare in Latin America, the Institute is an important channel through which United States methods and experience can be made available to the other American Republics. In this connection, the Institute has employed the Chief of the Child Welfare Bureau of Puerto Rico on a short-term contract to give advisory services to the Dominican Republic.

The total annual contributions by the member countries to the Institute have barely sufficed to meet the expenditures for the modest programs carried on by the Institute to date. Increased expenditures for calendar year 1956, which are being met by increased contributions from 18 countries, cover small increases in salaries and other office expenses brought on principally by the rise in the cost of living, rather than any significant increase in the activities of the Institute. However, as the result of recommendations of the 10th Pan American Child Congress held in February 1955, which were supported by the United States delegation, the Director of the Institute has proposed and the Directing Council has approved an expansion of the Institute's activities, principally in the following fields:

(1) Assumption by the Institute of the cost of training seminars which have heretofore been administered by the Institute, but financed through the technical cooperation program of the Organization of American States. The average annual cost of this activity has been $32,000.

These seminars have given intensive training to approximately 50 senior administrators of services for children and young people in the fields of health, education, social services, and juvenile court work in Latin America. These officials in turn have assumed responsibility for organizing similar training sessions for directors of children's agencies and institutions in their respective countries. The seminars have resulted in a revaluation of basic problems, and already definite action is being taken to solve them through modernization of basic legislation and improvement of existing services. The suggestion has been made in the Inter-American Economic and Social Council, which supervises the technical cooperation program, that the Institute incorporate the seminars into its regular program as a continuing feature of its work.

(2) Increased travel by Institute technicians to render technical assistance to countries of this hemisphere, particularly in fields in which no international or bilateral programs are giving service.

As a result of the seminars, many of the participating countries have requested of the Institute services of technical experts for advice on child-welfare legislation, standards of care of dependent children, prevention and treatment of juvenile delinquency, and other fields in which the Institute offers specialized knowledge. Since the Institute does not have a permanent technical staff, it has only been able, with the limited travel funds available, to contract specialists for short trips to nearby countries. It has not, however, been able to comply with many worthwhile requests involving longer distances and greater expense.

(3) Improvement and extension of the Institute's library service. The library has more than 30,000 titles of reference material, which deal with the whole field of child welfare, including maternal and child health, children's codes, institutional care of dependent and delinquent children, education, social services, nutrition and recreation. Most of the material has been acquired in exchange for the Institute's quarterly bulletin or through donations. However, more funds are needed so that the Institute can (*a*) better fill requests of libraries, universities and professional schools through microfilming and preparation of special bibliographies, and (*b*) acquire new books and technical journals to make available to institutions in the member countries the latest developments in child welfare.

Mrs. Elisabeth Shirley Enochs, Chief of International Technical Missions, Social Security Administration, Department of Health, Education, and Welfare, is the United States technical delegate on the Directing Council of the Institute and was elected President of the Directing Council in August 1955, the first time that a United States national has been so chosen.

COMMITTEE ACTION

Senator Wiley introduced the proposed draft legislation as Senate Joint Resolution 195 on July 12, and it was considered by the Committee on Foreign Relations on July 17, 1956, at which time the committee ordered it reported favorably to the Senate.

In this connection, the committee was disappointed in the testimony of the State Department representative who was unable to answer to the committee's satisfaction a series of questions to determine with some degree of precision the underlying reasons for fixing the United States contribution at 40 percent rather than at some other percentage. The committee noted that the contribution which will involve an increase in the United States percentage from 35.71 percent to 40 percent runs counter to the downward trend which the committee has constantly urged upon the Executive.

Nevertheless, the new percentage remains well below the average United States percentage contributions to all inter-American agencies—a figure which has shown a gradual decline from 70.21 percent in fiscal year 1950, to 69.46 percent in fiscal year 1951, and to 67.63 percent in fiscal year 1952. Furthermore, in recognition of the comparatively greater economic strength of the United States, the Con-

gress has in the past excepted inter-American agencies from the 33⅓ percent ceiling imposed on contributions to certain other international organizations.

After considering these factors and in its desire to encourage greater attention to developing joint projects with our Latin American neighbors, the committee voted to recommend that Senate Joint Resolution 195 be passed. A companion measure, House Joint Resolution 664, is pending before the House of Representatives.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of Rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

JOINT RESOLUTION To provide for the membership of the United States in the American International Institute for the Protection of Childhood

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, [That in order to meet the obligations of the United States as a member of the American International Institute for the Protection of Childhood, there are hereby authorized to be appropriated to the Department of State—

[(a) the sum of $24,000 for payment by the United States of its assessed annual contributions for the period beginning July 1, 1946, and extending through the fiscal year expiring June 30, 1949; and

[(b) such sums, not to exceed $10,000 annually, as may be required thereafter for the payment by the United States of its share of the expenses of the Institute, as apportioned in accordance with the statutes of the Institute.]

That in order to meet the obligations of the United States as a member of the American International Institute for the Protection of Childhood, there is hereby authorized to be appropriated annually to the Department of State such sums, not to exceed $25,000 per annum, as may be necessary for the payment by the United States of its share of the expenses of the Institute, as apportioned in accordance with the statutes of the Institute.

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Calendar No. 2657

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2613

AUTHORIZING AN APPROPRIATION TO ENABLE THE UNITED STATES TO EXTEND AN INVITATION TO THE WORLD HEALTH ORGANIZATION TO HOLD THE ELEVENTH WORLD HEALTH ASSEMBLY IN THE UNITED STATES IN 1958

JULY 17 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. GEORGE, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. J. Res. 183]

The Committee on Foreign Relations, having had under consideration the joint resolution (S. J. Res. 183) authorizing an appropriation to enable the United States to extend an invitation to the World Health Organization to hold its 11th World Health Assembly in the United States in 1958, reports the same to the Senate and recommends that it do pass.

PURPOSE OF THE RESOLUTION

The purpose of Senate Joint Resolution 183 is to authorize an appropriation of $400,000 which will enable the United States to extend an invitation to the World Health Organization (WHO) to hold its 11th world assembly in the United States in 1958. Annual meetings of WHO are, as a matter of policy to which the United States subscribes, usually held at the agency's headquarters in Geneva, unless an inviting government offers to provide the additional costs which would be incurred by meeting elsewhere. It is these costs which the pending resolution would permit the United States to defray as the host government.

BACKGROUND OF THE RESOLUTION

In 1958, WHO will celebrate its 10th anniversary. Leaders of the health and medical professions in the United States have strongly urged that the 1948 assembly be held in this country, not only for the opportunities it would offer for an exchange of views between key health officials of all countries, but as evidencing the concern of the American people with the health and welfare of human beings regard-

less of nationality. In view of the executive branch, it would be particularly appropriate for the 10th anniversary of WHO to be celebrated in the United States, since the constitution of the organization was drawn up and signed in New York City.

WHO is now engaged in pressing forward a global program for the eradication of malaria, under which it is estimated that protection will have been extended to 327 million persons in the current year, an increase of almost 100 million since 1955. From its efforts to control this and other communicable diseases, as well as through the technical services it makes available to every government and its immediate reporting of information on epidemics and outbreaks of disease, all nations benefit. To hold the 1958 assembly in the United States will provide opportunities for the health directors of 88 member countries (of which 79 are active participants in WHO activities) to visit American institutions and examine our health and sanitation practices.

SUMMARY OF PROVISIONS

The resolution would authorize the appropriation of $400,000 for the Department of State, to be available for advance contribution to the World Health Organization for such additional costs as are incurred by it in holding the 11th annual assembly outside its headquarters in Geneva, Switzerland, as well as for expenses sustained by the Department of State on behalf of the United States Government as host. Provision is made for personal services without regard to civil service and classification laws; employment of aliens, rent of quarters by contract or otherwise, travel expenses without regard to the standardized Government travel regulations and to the per diem provisions of the Travel Expense Act of 1949, and hire of passenger motor vehicles. Waiver of otherwise applicable Government travel regulations, such as is here authorized, is commonly provided for in appropriations for international conferences, to prevent inequitable treatment to which individuals required to attend might otherwise be subjected.

COMMITTEE ACTION

Senate Joint Resolution 183 was introduced by Senator Humphrey on June 26, 1956, and referred to the Committee on Foreign Relations. The committee considered the bill in executive session on July 17, 1956, and voted, without objection, to report it favorably to the Senate.

NEED FOR THE APPROPRIATION AND IMMEDIATE ACTION

Previous expenses of holding the annual assemblies of WHO in Geneva have been in the neighborhood of $200,000. On two occasions—the second meeting of 1949 at Rome, and the eighth meeting at Mexico City in 1955—the organization has met away from its headquarters. The Mexico City meeting involved an additional expenditure of $211,000 which was paid to WHO by the Mexican Government, as well as certain costs incurred by the latter in connection with the holding of the conference. Delegates of some 70 countries attended that meeting.

Of the total budget of WHO for 1956 ($10,778,824), the United States share is 31.64 percent, or $3,410,000. Our share of the expenses

of a meeting held in Geneva would have been 31.64 percent of $200,000, or $63,280. The $400,000 provided for under Senate Joint Resolution 183 will be in addition to that sum.

Because arrangements must be programed about 18 months in advance of the meeting, it is essential that approval be given before the close of the present session. The House Committee on Foreign Affairs reported the companion bill favorably on July 11, 1956.

CONCLUSIONS

Although the administration did not initiate the pending measure, it warmly supports the provisions of the bill. The committee has received letters of endorsement from numerous health and medical organizations, including the National Foundation for Infantile Paralysis, the National Tuberculosis Association, the National Citizens Committee for the World Health Organization, the American Social Hygiene Association, the San Francisco chapter of the American Association for the United Nations, the Iowa State Department of Health, and the American Nurses' Association. The American Medical Association has likewise advised the committee informally of its support for Senate Joint Resolution 183.

The committee believes the objectives of the resolution to be in the national interest and strongly urges its prompt approval by the Senate.

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Calendar No. 2661

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2614

AUTHORIZING THE APPROPRIATION OF $5 MILLION TO BE SPENT FOR THE PURPOSE OF PROMOTING THE PAN-AMERICAN GAMES TO BE HELD IN CLEVELAND, OHIO

JULY 17 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. GEORGE, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. J. Res. 186]

The Committee on Foreign Relations, having had under consideration Senate Joint Resolution 186, authorizing an appropriation of $5 million for expenses of the pan-American games to be held in Cleveland, Ohio, in 1959, report the joint resolution favorably to the Senate with amendments and recommend that it do pass.

BACKGROUND

The pan-American games were inaugurated after World War II on the pattern of the Olympic games. They were held in Buenos Aires in 1951 and in Mexico City in 1956. For 1960, the city of Cleveland has been selected as the site.

It is customary for the host city and Nation to undertake to provide necessary and adequate facilities for the holding of these games. Argentina and Mexico, the previous host governments, incurred considerable expenses when the games were held within their territory.

On June, 1956, Senator Bender introduced Senate Joint Resolution 186 authorizing the appropriation of $5 million to the Secretary of State for the purpose of promoting and insuring the success of the pan-American games to be held at Cleveland.

COMMITTEE ACTION

The committee considered the resolution on July 3, 1956, at which time it received testimony from Senator Bender. In view of the Department of State's position that it was not the appropriate agency to disburse the funds, further comments from the Bureau of the Budget and other interested parties were requested.

At the suggestion of the Bureau of the Budget, a nonprofit organization the Cleveland Pan American Games Foundation, was incorporated in Ohio on July 13, 1956. At the same time, the Bureau of the Budget suggested the amendment approved by the committee on July 17, when it ordered the joint resolution favorably reported. It is expected that the funds will be appropriated to the Cleveland Pan American Games Foundation.

USE OF FUNDS

The proposed authorization of $5 million will cover less than half of the estimated cost of the games. State, county, and city funds, as well as receipts from tickets, concessions, etc., will make up the balance, as shown in the following budget submitted to the Committee on Foreign Relations.

III PAN AMERICAN GAMES 1959

In planning for the Pan-American games III to be held in Cleveland, August 1959, the Cleveland Pan-American Games Corp. submits the following tentative budget:

Capital improvement expenditures:	
Capital improvement and athletic facilities	$7, 455, 000
Land	300, 000
Highways and access means	1, 500, 000
Parking facilities for 8,000 automobiles	800, 000
Operating expenditures: Feeding, housing, transportation, rentals, utilities, etc	3, 000, 000
Total	13, 055, 000
It is proposed the money will come from—	
City of Cleveland bond issue	1, 500, 000
Land from the city of Cleveland	300, 000
Highway bond issue, Cuyahoga County	1, 500, 000
Request from State of Ohio (January 1957)	2, 000, 000
Total	5, 300, 000
Requested from U. S. Congress	5, 000, 000
Total	10, 300, 000

The difference, an amount of nearly $3,000,000, to cover operating expenses to come from ticket sales, concessions, business contribution, etc.

Cleveland already has a stadium seating 82,000 people, a public auditorium seating 15,000, an arena seating 12,000, and other auditoria seating 2,400 to 3,200. Therefore, we are asking less than matching funds for the additional facilities required for this great international event.

RECOMMENDATION

The joint resolution has the unanimous and bipartisan approval of the congressional delegation of Cleveland, and also of the executive branch.

The Department of State, in its comments on Senate Joint Resolution 186, pointed out:

> This occasion will provide our country with an opportunity to further promote pan-American friendship through the effective media of amateur sportsmanship. Our facilities, our hospitality and our treatment of the many visitors from abroad, both participants in the games and spectators, will be compared with that which was provided by Argentina and Mexico. It is important that this comparison not be to our discredit. Not only the foreigners coming to Cleveland, but the millions who will follow the games abroad by press, radio, and television will be apprised of the importance and attention our country gives these games. They can make a long-term contribution to our foreign policy objectives by creating a broader understanding of our country and people and our recognition of the importance of our good neighbors of this hemisphere.
>
> It is the position of the Department that this undertaking by the city of Cleveland to be host to the Pan-American Games in 1959 merits appropriate support from the Federal Government. It may be appropriate to point out that the National Governments of both Argentina and Mexico provided substantial financial support in the organization of the games in their capitals.

A companion measure by Mrs. Bolton, H. R. 12033 is presently on the Union Calendar of the House.

The committee believes that the forthcoming games at Cleveland, Ohio, will offer the United States an opportunity to demonstrate its spirit of neighborliness, and that pending joint resolution will help to make the event a success. For these reasons, the committee recommends to the Senate the approval of Senate Joint Resolution 186.

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Calendar No. 2659

84TH CONGRESS, 2d Session } SENATE { REPORT No. 2615

PARTICIPATION BY THE UNITED STATES IN THE INTERPARLIAMENTARY UNION

JULY 17 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. GEORGE, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. 3858]

The Committee on Foreign Relations, having had under consideration the bill, S. 3858, to amend the act of June 28, 1935, authorizing participation by the United States in the Interparliamenatry Union, reports favorably thereon and recommends that it do pass.

PURPOSE

The purpose of the amendment, proposed by S. 3858, is to authorize an increase in the United States contribution to the Interparliamentary Union from $15,000 to $18,000 annually.

BACKGROUND

In September 1949, the Council of the Interparliamentary Union requested its members to increase contributions to an amount 50 percent over the 1931 scale which is set forth in terms of Swiss francs. The United States in 1948 authorized an increase to $15,000 from $10,000, which was a 50 percent increase in terms of dollars, but not in terms of Swiss francs due to the 1934 devaluation of the dollar and subsequent fluctuations. Accordingly, the Department of State, in a letter to the Vice President, which is reprinted below for the information of the Senate, proposed the pending legislation.

DEPARTMENT OF STATE,
Washington, March 22, 1955.

THE VICE PRESIDENT,
United States Senate.

DEAR MR. VICE PRESIDENT: I am transmitting herewith a draft of a proposed bill to increase the authorization for an appropriation for the United States contribution to the Bureau of the Interparliamentary Union for the Promotion of International Arbitration (now known as the Interparliamentary Union), from $15,000 annually to $18,000 annually.

The Interparliamentary Union offers a unique opportunity to bring together, for discussion of international problems, members of national legislative bodies in their own countries and has had the continuing support of the United States Congress. Interest in the Union is continually increasing and there are, at present 33 national groups now in existence that are contributing to the support of the organization.

In September 1949, the Council requested the member groups to increase their contributions to an amount 50 percent over the 1931 scale. According to the annex to the Convocation of the Council dated July 10, 1954, 28 of the member groups have now raised their contributions in accordance with this request, and only 5 of these groups, including the United States, have not raised their contribution.

The United States contribution in 1931 was $10,000. At present, under the authority of Public Law 409, 80th Congress, a contribution of $15,000 annually is authorized. This amount represents, in dollars, an increase of 50 percent over 1931. Due, however, to devaluation of the dollar in 1934 and to subsequent fluctuations in the rate of exchange, approximately $18,000 would be required in order to contribute, in Swiss francs, an amount 50 percent greater than the amount of Swiss francs corresponding to $10,000 in 1931. While the United States contribution is generally considered to be made in dollars, rather than Swiss francs, the other groups which have already acceded to the request of the Council have increased their contribution by 50 percent computed on the basis of Swiss francs.

The 1955 budget of the Union has been set at 346,010 Swiss francs and the amount proposed for a United States contribution is $18,000 which is approximately 77,400 Swiss francs or 22.37 percent of the total. This would represent an increase in terms of Swiss francs of approximately 52 percent over the United States contribution in 1931.

The Department has been advised by the Bureau of the Budget that there is no objection to the presentation of this draft legislation to the Congress for its consideration.

A similar communication is being sent to the Speaker of the House of Representatives.

Sincerely yours,

JOHN FOSTER DULLES.

COMMITTEE ACTION

The draft legislation was introduced as S. 3858 by Senator Robertson on May 15, 1956. Although the Congress has appropriated the increased amount of $18,000 in 1955 and 1956 for contributions to the Interparliamentary Union, legislation authorizing the increased contribution remains necessary to remove the possibility of a point of order being raised against an unauthorized appropriation.

The Committee on Foreign Relations, therefore, voted on July 17, 1956 to report S. 3858 to the Senate and urge its passage.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of Rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

AN ACT To authorize participation by the United States in the Interparliamentary Union

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That an appropriation of $30,000 annually is hereby authorized, $15,000 of which shall be for the annual contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and $15,000, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the President and the Executive Secretary of the American group.] *That an appropriation of $33,000 annually is hereby authorized, $18,000 of which shall be for the annual contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and $15,000, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the President and the Executive Secretary of the American group.*

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Calendar No. 2660

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2616

GRANTING THE CONSENT OF CONGRESS TO THE STATE OF NEW YORK TO NEGOTIATE AND ENTER INTO AN AGREEMENT OR COMPACT WITH THE GOVERNMENT OF CANADA FOR THE ESTABLISHMENT OF THE NIAGARA FRONTIER PORT AUTHORITY WITH POWER TO TAKE OVER, MAINTAIN, AND OPERATE THE PRESENT HIGHWAY BRIDGE OVER THE NIAGARA RIVER BETWEEN THE CITY OF BUFFALO, N. Y., AND THE CITY OF FORT ERIE, ONTARIO, CANADA

JULY 17 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. GEORGE, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. J. Res. 145]

The Committee on Foreign Relations, having had under consideration Senate Joint Resolution 145 granting the consent of Congress to the State of New York to enter into an agreement with the Government of Canada for establishing the Niagara Port Authority to take over and operate the highway bridge over the Niagara River between Buffalo, N. Y., and Fort Erie, Ontario, report the same to the Senate with an amendment and recommend that it do pass.

BACKGROUND

By act of June 3, 1924 (43 Stat. 355), Congress authorized the Buffalo and Fort Erie Public Bridge Co. to construct, maintain, and operate a highway bridge over the Niagara River (the Peace Bridge). By a further resolution of May 3, 1934 (48 Stat. 662), Congress granted consent to the State of New York to enter into an agreement with the Dominion of Canada to establish the Buffalo and Fort Erie Public Bridge Authority, with power to take over, operate and maintain the bridge constructed pursuant to the act of June 3, 1924, already referred to.

Chapter 870 of the Law of 1955 of the State of New York (Public Authorities Law sec. 1523 ff.) provides for the creation of a Niagara Frontier Port Authority consisting of 11 members, 3 of whom are to be residents of Canada and appointed by the Canadian Government. The Authority's existence is to begin with the effective date of the appointment of eight members by the Governor of New York. At

that time the present Buffalo and Fort Erie Public Bridge Authority is to be consolidated with the new Authority which will acquire jurisdiction over the Peace Bridge. There is a specific provision that the Niagara Frontier Port Authority may be empowered to act for and become the agency of the Dominion of Canada with jurisdiction over all assets and property now held by the Fort Erie Public Bridge Authority.

PURPOSE OF THE RESOLUTION

The New York law of 1955 differs in several respects from the agreement of 1933–34 between the State of New York and the Dominion of Canada to which Congress gave its consent in 1934 (48 Stat. 662). Thus, for example, the 1955 law modifies the composition of the Board constituting the Buffalo and Fort Erie Public Authority from 9 to 11 members; it cuts short the powers and duties of the present Authority, which were not to terminate until its outstanding bonds were paid and certain other conditions met; and it changes the toll-fixing power now applicable. Some action by the Government of Canada, as well as an agreement between that Government and the State of New York, will clearly be necessary for the power of the new Authority to be recognized, and for the protection of bondholders and other creditors of the old.

Because of these substantial differences and the requirement of a new undertaking with Canada, congressional consent is needed to implement the 1955 law in accordance with article I, section 10, clause 3 of the United States Constitution which requires the approval of Congress for effect to be given to "any Agreement or Compact with another state, or with a foreign power."

Senate joint resolution 145 is intended to furnish the requisite congressional authority. Under this measure, the consent of Congress is expressly granted to the negotiating and concluding of an agreement between New York and Canada for (1) establishment of the Niagara Frontier Port Authority; (2) transfer of the operation, control, and maintenance of the present highway bridge over the Niagara River to this Authority; (3) transfer of all property, rights, powers, and duties of the Buffalo and Fort Erie Public Bridge Authority to the new entity; and (4) consolidation of the old and new authorities, and termination of the corporate existence of the former. No appropriation is involved in the measure.

COMMITTEE ACTION AND AMENDMENT

Senate joint resolution 145 was introduced by Senator Lehman (for himself and Senators Ives and Humphrey) and referred to the Committee on Foreign Relations on February 16, 1956. The committee considered the resolution in executive session on July 17, 1956, and voted unanimously to report it favorably to the Senate with a minor amendment. Inasmuch as Canada is no longer a dominion, the title and first section of the resolution were amended by the committee so as to refer to the "Government" instead of the "Dominion" of Canada.

The committee believes the bill is necessary for continued effective operation of the Niagara River Bridge and urges prompt approval of of Senate joint resolution 145 by the Senate.

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Calendar No. 2662

84TH CONGRESS, 2d Session — SENATE — REPORT No. 2617

HUMANE SLAUGHTER

JULY 17 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. HUMPHREY of Minnesota, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 1636]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1636) to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with amendments.

The committee substitute provides for the appointment by the Secretary of Agriculture of an Advisory and Research Committee on Humane Slaughter of Livestock and Poultry to advise the Secretary, conduct a study of slaughter methods with the objective of obtaining acceptance of humane methods, and report within 2 years after enactment of the act to the Secretary. Such report and any interim reports of the Committee would be transmitted to Congress. The advisory committee would consist of 10 members and would include—

One officer or employee of the Department of Agriculture.
Two representatives of national organizations of slaughterers.
One representative of the packinghouse trade union movement.
One representative of the general public.
Two representatives of livestock growers.
Two representatives of national humane organizations.
One person familiar with the requirements of the Jewish faith with respect to slaughter.

This bill was thoroughly studied by a subcommittee, which conducted 2 days of hearings, which have been printed and are available for the information of the Senate. Representatives of the National Humane Society and the American Humane Association, as well as many other humane organizations; packers; Members of Congress; persons familiar with the requirements of the Jewish religious faith

with respect to slaughter; producer organizations; the Department of Agriculture, and others testified or presented statements for the assistance of the subcommittee. The subcommittee found the assistance of these witnesses most helpful and believes that an advisory committee composed of such persons, given 2 years for further study together, should be able to advance greatly the acceptance of humane methods.

The report of the subcommittee setting out its findings and recommendations based on these hearings is attached. The subcommittee recommended the immediate appointment of an advisory committee as provided by the committee substitute, but, recognizing that some period will be necessary for the planning and installation of plant changes and equipment, as well as for education and training in the use of new methods, the subcommittee recommended that the compulsory use of humane methods be deferred for 5 years. The committee felt that inasmuch as the compulsory provisions would not be effective for 5 years, there would be merit in deferring their enactment until the report of the advisory committee could be received and examined.

Report of the Subcommittee of the Committee on Agriculture and Forestry on S. 1636

Your Subcommittee on Humane Methods of Slaughtering, to whom was referred the bill (S. 1636) to require the use of humane methods in the slaughter of livestock and poultry in interstate or foreign commerce, and for other purposes, having considered the same, report thereon with the recommendation that it pass with an amendment in the nature of a substitute.

The subcommittee amendment is as follows:

Strike out all after the enacting clause and insert the following:

That, as used in this Act—

(a) The term "commerce" means commerce (1) among the several States or with foreign nations, (2) in any Territory of the United States or in the District of Columbia, (3) between any such Territory and another, (4) between any such Territory and any State or foreign nation, or (5) between the District of Columbia and any State, Territory, or foreign nation;

(b) The term "Secretary" means the Secretary of Agriculture;

(c) The term "person" means any individual, partnership, corporation or association;

(d) The term "slaughterer" means any person regularly engaged in the business of slaughtering livestock or poultry for the sale in commerce of meat, meat products, poultry or poultry products;

(e) The term "livestock" means cattle, sheep, swine, horses, and other animals susceptible of use for the preparation of meat or meat products;

(f) The term "humane method" of slaughtering shall include only the following:

(1) in the case of livestock, rendering such livestock insensible before bleeding or slaughtering, by mechanical, electrical, chemical or other means determined by the Secretary to be rapid, effective and humane;

(2) in the case of poultry, instantaneous severing of the head from the body or, if poultry is otherwise cut or stuck, by first rendering such poultry insensible by mechanical, electrical, chemical, or other means determined by the Secretary to be rapid, effective and humane;

(3) in either of the above cases, slaughtering in accordance with the practices and requirements of the Jewish religious faith by a qualified slaughterer, commonly called a schochet, authorized to engage in such slaughtering by an ordained rabbi of the Jewish religious faith.

Sec. 2. (a) No slaughterer shall slaughter any livestock or poultry other than by a humane method.

(b) No slaughterer shall shackle, hoist, or otherwise bring into position for slaughter any livestock or poultry by any method that causes injury or pain to such livestock or poultry.

SEC. 3. Any slaughterer who by any act or omission violates any provision of section 2 shall be punished by a fine of not more than $1,000 or by imprisonment for not more than one year, or both.

SEC. 4. The Secretary shall promulgate such rules and regulations as may be necessary to carry this Act into effect.

SEC. 5. (a) The Secretary shall appoint a humane slaughter Advisory and Research Committee composed of nine members, of whom one shall be an officer or employee of the Department of Agriculture designated by the Secretary, two shall be representatives of national organizations of slaughterers; one shall be a representative of the trade union movement engaged in packing house work; one shall be a representative of the general public; two shall be representatives of livestock growers, and two shall be representatives of national organizations of the humane movement;

(b) The Advisory and Research Committee shall advise the Secretary concerning questions arising in the administration of this Act and shall conduct a continuing study of methods of slaughter of livestock and poultry with the objective of improving and bringing about acceptance of more efficient and more humane methods of slaughter and bringing such methods to the attention of slaughterers. The Department of Agriculture shall assist the committee with such research personnel and facilities as the Department can make available;

(c) The committee member who is an officer or employee of the Department of Agriculture shall receive no additional compensation for service rendered under this Act. Other members shall receive such compensation, not in excess of $50 for each day of service, as the Secretary shall prescribe.

SEC. 6. Nothing in this Act shall prohibit the slaughter of livestock or poultry by members of any religious faith in accordance with the requirements of such faith.

SEC. 7. Sections 2 and 3 of this Act shall not be effective until five years after the date of enactment of this Act.

THE BILL

This bill, as modified by the subcommittee substitute, prohibits slaughterers engaged in slaughtering livestock or poultry for sale in interstate or foreign commerce from (1) slaughtering livestock or poultry other than by a humane method, or (2) shackling, hoisting, or otherwise bringing livestock or poultry into position for slaughter, by any method that causes pain or injury. "Humane method" is defined to include only—

(1) Rendering livestock insensible, before bleeding or slaughtering, by means determined by the Secretary of Agriculture to be rapid, effective, and humane;

(2) Instantaneous severing of the head from poultry; or rendering poultry insensible, before cutting or sticking, by means determined by the Secretary to be rapid, effective, and humane; and

(3) Kosher slaughtering of livestock or poultry.

These prohibitions would not be effective until 5 years after enactment and would not prohibit any method of slaughter prescribed by any religious faith.

An Advisory and Research Committee of Nine would be appointed by the Secretary upon enactment of the bill. The Committee would include—

One officer or employee of the Department of Agriculture.
Two representatives of national organizations of slaughterers.
One representative of the packinghouse trade-union movement.
One representative of the general public.
Two representatives of livestock growers.
Two representatives of national humane organizations.

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The Advisory Committee would advise the Secretary on administration of the act and study slaughter methods with a view to improving and obtaining acceptance of more humane methods. The Department would assist the Committee with research personnel and facilities. Members (other than the Department employee) would receive not to exceed $50 per day of service.

PRESENT METHODS OF SLAUGHTER

Methods of livestock slaughter now generally in use in the United States involve the shackling, hoisting, and bleeding of the live animal, followed by scalding in the case of hogs, and preceded by stunning with the poleax or knocking hammer in the case of cattle (other than calves) and horses. These methods were described to the subcommittee as follows (testimony of Fred Myers, National Humane Society):

> Hogs, of which some 50 million go through slaughterhouses every year, are killed in this manner:
>
> Approximately a dozen animals are driven into a shackling pen—a pen about the size of a small house kitchen. There a short length of chain is noosed around one hind leg of each animal. The end of each chain is then hooked to a moving belt or chain which inexorably drags the shrieking animal to one end of the room and then upward, dangling by the shackled leg, to a floor above.
>
> On the upper floor, still writhing and shrieking, the hog is carried before a man who is called a sticker. The sticker is supposed to plunge a broad-bladed knife into the big vein in the throat of the hog. It is not desired that the hog shall be quickly killed; the deliberate intent is that the animal shall die slowly so that the laboring heart will clear the body of blood.
>
> Stickers in the big slaughterhouses become quite expert with practice but often the knive fails to strike a struggling hog in the precise spot intended. Hogs frequently are stuck several times in various parts of the face and head, and even in shoulders, before the knife reaches the big vein.
>
> After a hog is stuck, the overhead conveyor moves it still further along to a huge scalding vat. It is intended, one assumes, that a hog should have become unconscious from loss of blood and shock before it is plunged into the scalding water. Ordinary routine leaves about 5 minutes between sticking and scalding.
>
> Not all hogs become unconscious in the allotted time, however, and at times the routine is not perfect and the interval between sticking and scalding is considerably less than 5 minutes.
>
> There is certainly no experienced packinghouse worker, in the hog-killing department, who has not seen agonized animals struggling desperately to swim out of water that is hot enough to loosen hair. Indeed, the National Humane Society has repeatedly been told by packinghouse workers of hogs that still showed signs of life, and reflex to stimuli, after going from the scalding vats to the big dehairing

machines that tumble the animals vigorously about and strip the hair from them.

The method that we have described is used, with only minor variations of technique, in all but two of the major slaughterhouses of America.

Sheep, lambs, and calves are killed in substantially the same way although they are not, of course, scalded.

Cattle, because of their size, are handled somewhat differently from the smaller animals.

The almost universal routine of killing cattle begins by driving one or more animals into a knocking pen—a pen small enough to prevent an animal from turning around. On a platform alongside and above the floor of the knocking pen stands a man who is called a knocker. The knocker uses a long-handled hammer, weighing 5 or 6 pounds, to knock animals to the floor.

The objective is a blow on the upper front of the head that will floor a cow, steer, or bull with a single swing. Even an experienced knocker often fails, however, and packinghouses by no means always have experienced men for this job. Inspectors for the National Humane Society have repeatedly seen knockers take 10 and more blows to stun an animal. One of our men recently saw a knocker swing his hammer 21 times before the unfortunate steer went down. The hammer often knocks off a horn or smashes a nose or eye before the knocker lands his hammer at a stunning spot.

Actual counts, both here and in England, have revealed that under ordinary conditions it takes an average of more than 1.5 blows of the hammer to stun cattle. That means, to put it bluntly, that the cattle are simply being hammered to the floor—it is a deceptive euphemism to say that the hammer is a stunning instrument.

When a cow, steer, or bull has been knocked down—often obviously still conscious and bellowing in agony—one side of the knocking pen is lifted and the animal is removed, either by tilting the floor of the pen or by a chain shackle. The beef animal then is hoisted, much as pigs are, and its throat is cut. The animal dies slowly from loss of blood.

Horses that go to slaughterhouses are killed by the method used on cattle. Horses are, if possible, treated even more roughly than cattle.

Poultry are generally slaughtered by being stuck in the mouth and bled. Probably one-fourth are now stunned with an electric knife before being bled (testimony of Christian P. Norgord, American Humane Association; Dr. M. R. Clarkson, USDA).

AVAILABLE METHODS OF HUMANE SLAUGHTER

Methods for humane slaughter now available or in the process of development include the captive-bolt pistol, the electric knife, and other methods of electrical stunning, Remington Arms Co.'s humane animal stunner (in process of field test), the Geo. A. Hormel & Co.'s CO_2 gas immobilization method, and the kosher method, which were described at the hearings as follows:

(1) The captive-bolt pistol, which was stated to cost about $125, is similar to an ordinary pistol, except that instead of firing a free bullet the captive-bolt pistol fires a steel bolt that slides in the barrel of the gun and is controlled so that it penetrates the skull of the animal only to a desired depth. The captive-bolt pistol has two principal advantages over an ordinary gun: (1) the danger of a free bullet is eliminated, and (2) the bolt stuns without killing, which is desirable to insure complete bleeding. Mr. Norgord described the use of this instrument as follows:

> This is used while the animals are in the same knocking box as used for the poleax. It takes the place of the poleax.
>
> The pistol is easily placed directly against the forehead of the animal, the trigger is pulled, the shot is made, which immediately and without fail, drops the animal unconscious. This pistol is far more accurate, faster in its use, and more humane than the poleax.
>
> Experimentally, a comparison was made in England between the use of the poleax and the captive-bolt pistol. An experienced man with a poleax required 655 blows to stun 400 animals, while the operator with the captive-bolt pistol used 1,259 shots to stun 1,255 animals. Two of the misses were due to ineffective cartridges.
>
> The Seitz Packing Co. in St. Joseph, Mo., uses floodlights in front and beside the animals in the knocking box. This makes them stand motionless for a short time. The operator can then easily place the pistol against the forehead and improve the accuracy and effectiveness of the weapon.
>
> The captive bolt has been used throughout Europe to successfully stun all livestock.
>
> In this country, the Oscar Mayer Co., having a large plant at Madison, Wis., has used the captive bolt successfully for 7 years and many other large companies have used it for various periods.
>
> Since it can be used for all animals, it practically meets the need of the situation for the humane slaughtering of livestock.

Objections of the packers to the use of the captive-bolt pistol were described by Mr. R. W. Regensburger, vice president of Swift & Co., representing the American Meat Institute as follows:

> While the use of this instrument is apparently satisfactory in Europe and in a few plants in this country, the application results in the destruction of the brain for edible purposes and a puncturing of a portion of the hide. While the loss of the brain as an edible product might seem of small value, we are hesitant to advocate a practice which, in effect, wastes a food resource of the Nation.
>
> In times of emergency, as in World War I and World War II, we save all brains possible, as they have good food value. We do not believe we would be acting wisely if we were to adopt nationwide a method of stunning livestock which destroyed the brains.

> While we are not recovering all cattle brains at present, we estimate the total production of cattle brains in the United States currently to be between 3 million and 4 million pounds annually. This production represents a significant weight of product for those seeking a low-priced meat item.

(2) The humane animal stunner is similar to the captive-bolt pistol, but the penetrating bolt has been replaced by a mushroom head which does not enter the skull, but renders the animal unconscious by concussion. Thus the brain and pate leather are preserved, so that the packers' objections to the captive-bolt pistol are not applicable to this stunner. At the time of the hearing, six of these instruments were in experimental use in the Armour and Swift plants in Chicago. Mr. Haskell, of the Remington Arms Co., testified that these final field tests would have to be completed before the instrument would be available for commercial use, but that they were very enthusiastic about it and that it appeared reliable.

(3) The use of an electric knife to stun poultry prior to slaughter was described by Dr. Clarkson and Mr. Norgord, Dr. Clarkson estimating that it is used in the slaughter of probably one-fourth of the poultry. Considerable experimentation in the electrical stunning of livestock has been carried out by the industry and others and this method is used in many foreign countries in the stunning of hogs. Experiments in this country have indicated that electrical stunning of cattle bursts minor blood vessels, disfiguring the roasts and steaks with consequent loss of appeal and value. In the case of hogs, electrical stunning produced tiny hemorrhages or blood markings on the lungs similar to lesions caused by certain disease conditions, creating uncertainty and difficulty in post mortem inspection by the Meat Inspection Branch. Research on electrical stunning is continuing and it is hoped that the difficulties involved may be eliminated.

(4) CO_2 gas immobilization is now used on hogs by the Geo. A. Hormel Co. at its Austin, Minn., and Fremont, Nebr., plants. The principal part of the equipment consists of a tunnel in which hogs are anesthetized with CO_2 produced from dry ice. The hog drops in about 15 seconds after entering the tunnel and is delivered from the tunnel by a conveyor belt, immobile and insensitive for shackling or sticking. The Geo. A. Hormel Co. has since developed a method of prone sticking of the anesthetized hog without shackling, which it believes will eliminate virtually all the cost of internally bruised hams which, last year, cost Hormel $50,000 in paid claims. (The National Provisioner April 14, 1956, set out with testimony of Mrs. Christine Stevens.)

(5) The kosher method of slaughter is based on Jewish principles of humane treatment of animals, must be administered by a person of proven skill and moral character, and produces immediate unconsciousness. Leo Pfeffer, counsel, American Jewish Congress, after reciting examples of Jewish law and tradition as to the proper treatment of animals, described the Jewish method of slaughter as follows:

> The method of Jewish slaughtering, commonly known as schehitah, is by a single cut of the neck. The knife is set to extreme sharpness—sharper than any surgical knife, with a perfect edge, free from the slightest notch or flaw, and mi-

nutely examined by a specific method for any unevenness immediately before each slaying. The one swift movement of the knife severs the trachea, esophagus, carotid arteries, and jugular vein. This insures practically instantaneous unconsciousness.

The person entrusted with the duty of slaying the animal, called the shohet, must be of recognized high moral character, consistent religious practice, especially trained for the office, possessing a thorough knowledge of the precise rules and regulations of shehitah as well as of the condition of the animal's organs, normal and pathological, steady of hand and qualified by examination, certified and officially appointed, and subjected to reexamination at frequent intervals by the rabbinic authorities who alone can license a person to exercise the operation of slaying animals for food for consumption by Jews.

DEVELOPMENTS IN OTHER COUNTRIES

The subcommittee was advised by Representative Martha W. Griffiths that legislation requiring humane slaughter had been adopted in other countries as follows:

Switzerland	1874	England	1933
Netherlands	1920	Finland	1934
Norway	1924	Sweden	1937
Scotland	1928	Fiji	1948
Ireland	1932	New Zealand	1951

In addition parts of France, Germany, Austria, and Australia have enacted humane-slaughter legislation.

SUBCOMMITTEE RECOMMENDATIONS

The subcommittee conducted 2 days of hearings on the bill, receiving testimony from numerous humane organizations, packers, producer organizations, the Department of Agriculture and others. All witnesses were in agreement that the industry should strive toward more humane methods of slaughter, and no witnesses contended that the methods now generally in use could be considered to be humane. The American Meat Institute formed a committee in 1929 to work with humane organizations and others in the development of more humane methods, but to date only a very few slaughterers in this country (other than kosher slaughterers) are using humane methods. It is apparent, therefore, that some legislative compulsion is needed to move the packers to change their methods, and to put slaughter methods in this country at the humane level achieved by legislation in other countries. As pointed out in the testimony of the Department witnesses we have not lagged behind other countries, legislatively or otherwise, with respect to other aspects of the humane handling of animals.

In addition, opinions may differ as to which methods are humane and which are not, so that some central authority is needed to consider, develop, and determine appropriate methods and give adequate guidance to packers. The bill would require the Secretary to make the necessary determinations with the aid of a competent advisory

committee representing the various groups whose interests are in this field. Research and development in this field would be promoted by the provisions of the bill.

Practical and economical methods of humane slaughter now exist. The captive bolt pistol costs less than $150 and is economical to operate. The loss in brain and pate leather per animal resulting from its use is not a consequential one, and even this small loss can be avoided by use of Remington Arms humane animal stunner. The electric knife also costs less than $150, and is already in use for a substantial portion of the poultry slaughter. While Hormel's CO_2 gas immobilizer is more costly, Hormel is most enthusiastic about its use and the economic advantages which have flown from it. Among the economic benefits made possible by the application of humane methods are less bruising, cleaner, quieter, and generally better working conditions with lower labor turnover; more efficient operations; more complete bleeding; and lower accident rates (the accident rate in the meat-packing industry being nearly double that for general manufacturing). Extensive benefits for Hormel and Seitz have been reported in the National Provisioner, October 4, 1952, and April 14, 1956; Food Engineering, October 1952; and Meat for April 1955. In fact the primary object of the Hormel method was economic rather than humane, as indicated by Mr. Murphy's statement to the October 3, 1952, convention of the American Meat Institute:

> The project was started simply enough. Some one suggested the need for improved working conditions and economies in the operation prior to scalding.

The economies in operation and improvements in product (no bruised hams, etc.) which should result from the application of humane methods to the entire industry should more than compensate packers for the costs of converting to new methods. More economic operations for packers should mean better prices for producers as well as more profits for packers.

In order to give each slaughterer an opportunity to determine and install the approved method best suited to his operation, the bill postpones the regulatory provisions of the bill for 5 years. In the meantime the Advisory Committee would be working with the Secretary to define and improve suitable methods.

The subcommittee substitute differs from the bill as introduced in that—

(1) A number of technical corrections and changes have been made;

(2) The substitute applies only to slaughterers slaughtering for sale in interstate commerce (excluding those who buy, but do not sell, in interstate commerce);

(3) Shackling, hoisting, or otherwise bringing poultry into position for slaughter by any method that causes injury or pain would be prohibited;

(4) The Advisory Committee would consist of nine members, additional representation being given to slaughterers, the general public, livestock growers, and humane societies,

(5) Slaughter methods required by religious faiths are made exempt; and

(6) The authority of the Secretary to grant exemption is omitted from the substitute.

A sampling of editorial comments on the bill is attached as exhibit A.

EXHIBIT A

A SAMPLING OF RECENT ARTICLES AND EDITORIALS IN SUPPORT OF HUMANE SLAUGHTER LEGISLATION

Detroit (Mich.) Free Press, June 5, 1956 (editorial):

"A measure of civilization's height is the degree to which it puts aside barbarism and cruelty in all their aspects. If means for slaughtering livestock are available which will stop any present suffering by the slaughtered animals, it seems to us that the civilized thing to do is require their employment." (Reprinted by the Troy Record, June 9, 1956.)

The Washington Post and Times Herald (Washington, D. C.), May 7, 1956 (editorial):

"Cattle, sheep, calves, and hogs are commonly killed in this country by techniques which subject them to senseless terror and suffering * * * Senator Humphrey's bill ought to become law." (Reprinted by Florence (Ala.) Times and the Sheffield (Ala.) Tri-Cities Daily, May 21, 1956; Brunswick (Ga.) News, May 23, 1956; Endicott (N. Y.) Bulletin, June 1, 1956; the Christian Science Monitor, May 16, 1956; and others.

Daily Mirror (New York City), June 22, 1956 (editorial):

"Packers from Finland to Fiji have installed humane killing devices that make our slaughterhouses look and sound like medieval dungeons * * *. Something deeper than a squeamish repugnance toward blood motivates those who would see swift reform. It is the abiding conviction that callous brutality has no place in our society."

The Wichita (Kans.) Eagle, February 2, 1956 (and others):

"If you saw a man do to a dog what I've seen a man do to a hog, you'd tear him apart, but it's happening to 90 million of them a year * * * if only because turning our backs on cruelty leaves calouses on our national conscience, let us resist this repetitious erosion of our human dignity" (Paul Harvey).

St. Louis (Mo.) Post-Dispatch, January 26, 1956 (editorial):

"Repugnance to cruelty is still a test of civilization."

Christian Science Monitor, Boston, Mass., March 16, 1956 (editorial):

"Bills are pending before committees of both the Senate and the House of Representatives to require humane slaughtering in the United States." (Reprinted by the Portland (Maine) Press Herald, April 1956.)

Christian Science Monitor, Boston, Mass., May 31, 1956:

"Most Americans would be surprised to learn that the United States is a backward country, in one respect at least. It is 25 to 50 years behind many European countries in the development of humane methods of commercial animal slaughter" (Josephine Ripley).

Louisville (Ky.) Courier-Journal, May 18, 1956:

"A captive-bolt pistol for slaughtering small animals was demonstrated here yesterday for the first time * * *"

The Louisville (Ky.) Times, January 18, 1956:

"Only the club of legislation, swung vigorously, has, it seems, ended cruelty in European slaughterhouses" (Tom Wallace).

The Louisville (Ky.) Times, June 6, 1956:

"* * * at last the public is giving some attention to the horrors of old-style slaughtering" (Tom Wallace).

The Louisville (Ky.) Times, June 6, 1956 (editorial):

"* * * under the leadership of President Theodore Roosevelt, a comprehensive meat-inspection law was enacted by Congress. It required that packinghouses be sanitary. But no law yet has required that the slaughter of food animals be humane. A bill to this effect awaits action by Congress now. The 50th anniversary year of the great Rooseveltian enactment would be an appropriate year for its passage."

The Denver (Colo.) Post, May 10, 1956:

"Members of the committee reported they had been flooded with mail supporting the anticruelty bill introduced by Senator Humphrey."

Wilmington (Del.) Journal, May 26, 1956 (editorial):

"Senator Hubert H. Humphrey * * * said * * * in our country, Government compulsion or regulation in any form is usually the result of neglect of individuals or firms to make voluntarily the reforms the public interest demands."

The New Republic, June 18, 1956 (editorial):

"For 20 years Swift and Armour the industry spokesmen have insisted that they were perfecting humane killing methods and have pleaded for patience. Recent tours of their plants establish that they have made no advances toward humane slaughtering in 40 years."

The St. Petersburg (Fla.) Times, June 11, 1956 (editorial):

"We cannot be decent, humane people unless we try to do something to eliminate brutality and suffering of food animals in the process of slaughter."

Claxton (Ga.) Enterprise, May 24, 1956 (editorial):

"But this is once we should like to see the Congress do something for creatures that have no vote and no way of speaking for themselves."

South Bend (Ind.) Tribune, April 26, 1956:

"Pigs are shackled and then hoisted aloft by one leg * * *. Sometimes they are plunged in vats of scalding water before death."

Wheaton (Ill.) Journal, May 22, 1956:

"Legislation as proposed by House bill 8540 and Senate bill S. 1636, now pending, would required that 'livestock and poultry be rendered insensible to pain by humane means before knifed, shackled, bled or scalded.' "

Kentucky Times-Star, June 5, 1956 (editorial):

"Statement by Senator Hubert H. Humphrey. * * * 'Whenever we shut our eyes to cruelty and suffering whether among people or among animals, we are shutting out part of the spirit that has made America great, and makes us stand apart in the world as a nation that puts moral principles and decency above sheer material value.' "

Ashland (Ky.) Independent, May 20, 1956:

"Humane slaughter consists of instantaneously stunning animals with one blow or rapidly anesthetizing them prior to shackling and bleeding."

Ann Arbor (Mich.) News, March 10, 1956 (editorial):

"It is a curious paradox that a nation so compassionate in most of its dealings should countenance cruelty in its midst. It is high time for Congress to take corrective steps." (Reprinted by the Christian Science Monitor.)

Ann Arbor (Mich.) News, May 29, 1956 (editorial):

"Two days of hearings were held this month in Washington on a bill to require humane slaughter of food animals, and not so surprisingly, the humanitarians had all the better of the argument." (Reprinted by the Brewster (N. Y.) Standard, June 2, 1956.)

Willmar (Minn.) Tribune, May 23, 1956 (editorial, For More Humane Slaughtering Laws):

"Senator Hubert H. Humphrey * * * pointed out that humane methods of slaughter were efficient and, where used, saved packers a considerable amount in operating costs."

Trenton (N. J.) Sunday Times-Advertiser, April 22, 1956:

"The miserable, cruel methods prevailing in many abattoirs are a disgrace to the Nation."

Herkimer (N. Y.) Telegram, May 25, 1956 (editorial):

"With meat consumption in this country climbing to record highs and Americans probably among the world's largest users of meat, it is expecially important that measures should be taken to require humane treatment of meat animals."

Port Byron (N. Y.) Chronicle, May 17, 1956 (editorial):

"That this matter has not received earlier attention is deplorable beyond words. That it should continue to be permitted now that more humane methods are known is inexcusable and indefensible. Congress should lose no time in taking appropriate action."

Troy (N. Y.) Record, May 23, 1956 (editorial):

"There seems no reason why the United States which prides itself on its advanced methods of almost everything and presumes to be so sympathetic in the face of cruelty everywhere should be so backward in adopting humane methods of killing helpless animals for which, usually, it presumes so much sympathy."

New York Daily News, April 1, 1956:

"It has been demonstrated that slaughtering can be accomplished humanely by painlessly making the animals unconscious with gas and in other ways" (William H. Hendrix).

Columbus (Ohio) Dispatch, May 17, 1956:

"One local firm, the Herman Falter Packing Co. * * * now uses a rifle bullet to stun cattle * * * 'We started this a couple of years ago on the theory it would be less painful,' said John Falter, president" (Sam Harvey).

Buffalo County (Wis.) Journal, May 24, 1956 (editorial):

"Hearings are being held on a Senate bill which if passed would make it unlawful for packinghouses to slaughter animals by some of the present inhumane and cruel methods * * * Wide publicity can be helpful in arousing all good people to demand its passage soon."

Wichita (Kans.) Beacon, June 11, 1956:

"The sounds of agony from American slaughterhouses should be stopped if this Nation wants to keep being considered humane."

HUBERT H. HUMPHREY, *Chairman.*
W. KERR SCOTT.
KARL E. MUNDT.

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